



MEMBERSHIP  
May 10, 2023

Translation

## Financial Results for the First Six Months of the Fiscal Year Ending September 30, 2023 <under Japanese GAAP> (Non-Consolidated)

Company name: ABIST Co., Ltd. Listing: Tokyo Stock Exchange  
 Stock code: 6087 URL: https://www.abist.co.jp  
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 Scheduled date to submit Quarterly Securities Report: May 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. Non-Consolidated Performance for the First Six Months of the Fiscal Year Ending September 30, 2023 (from October 1, 2022 to March 31, 2023)

#### (1) Non-consolidated operating results (cumulative) (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First six months ended								
March 31, 2023	4,697	—	397	—	406	—	476	—
March 31, 2022	—	—	—	—	—	—	—	—

  

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First six months ended		
March 31, 2023	119.79	—
March 31, 2022	—	—

Note: The Company disclosed its consolidated financial results for the fiscal year ended September 30, 2022. Starting with results for the first six months of the fiscal year ending September 30, 2023, it has decided to make disclosures on a non-consolidated basis. Therefore, the results are shown without reference to results for the first six months of the fiscal year ended September 30, 2022 or year-on-year percentage changes.

#### (2) Financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
March 31, 2023	9,034	6,574	72.8
September 30, 2022	8,359	6,142	73.5

Reference: Equity As of March 31, 2023: 6,574 million yen  
 As of September 30, 2022: 6,142 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	—	0.00			
Fiscal year ending September 30, 2023 (Forecast)			—	102.00	102.00

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

### 3. Non-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		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	9,900	—	740	—	740	—	610	—	153.28

Note: Revisions to the earnings forecasts most recently announced: Yes

The Company acquired ABIST H&F Co., Ltd., its consolidated subsidiary, through an absorption-type merger on February 1, 2023. With the Company having no consolidated subsidiaries as a result of the merger, results for the fiscal year ending September 31, 2023 (full-year) will be disclosed on a non-consolidated basis. Reference to year-on-year percentage changes in results forecasts are not stated since the basis for comparison is different.

\* Notes

- (1) Application of special accounting in preparing quarterly financial statements: None
- (2) 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 |
- (3) Number of issued shares (common shares)
- |   |                  |
|---|------------------|
| (a) Total number of issued shares at the end of the period (including treasury shares)                        |                  |
| As of March 31, 2023  | 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 March 31, 2023  | 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 six months ended March 31, 2023   | 3,979,623 shares |
| First six months ended March 31, 2022   | 3,979,642 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 5 of the Attached Materials of the Non-Consolidated Financial Results, “1. Qualitative Information for Financial Results for the First Six Months, (3) Explanation regarding earnings forecasts and other forward-looking statements.”

## Table of Contents of the Attached Materials

1. Qualitative Information for Financial Results for the First Six Months .....	4
(1) Explanation regarding operating results.....	4
(2) Explanation regarding financial position .....	4
(3) Explanation regarding non-consolidated earnings forecasts and other forward-looking statements .....	5
2. Financial Statements and Primary Notes.....	6
(1) Quarterly balance sheets .....	6
(2) Non-consolidated quarterly statements of income .....	7
(3) Non-consolidated quarterly statement of cash flows .....	8
(4) Notes to non-consolidated financial statements .....	9
(Notes on going concern assumption) .....	9
(Notes in the case of material changes in shareholders' equity).....	9
(Segment information) .....	9
(Matters concerning revenue recognition).....	9
(Significant subsequent events).....	9

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

### (1) Explanation regarding operating results

During the first six months of the fiscal year ending September 30, 2023, the global economy temporarily showed signs of stabilization. However, unpredictability increased, reflecting geopolitical risks including the Ukraine situation, among other factors, and confusions in the financial sector attributable to high inflation rates and sharp rises in policy interest rates.

The Japanese economy was on a path toward a moderate recovery, although there was weakness in some areas. Looking ahead, the economy is expected to recover thanks partly to the effects of a range of government policies in a situation where people are learning to live with COVID-19. However, with a slowdown in overseas economies posing a risk of putting downward pressure on the Japanese economy amid worldwide monetary tightening, careful attention should be paid to the effects of rising prices, restricted supply, and fluctuations in the financial and capital markets.

In the automobile industry and auto parts industry, where the Company 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. The Design and Development Outsourcing business, the main business of the Company, is in the upstream process in manufacturing, and the suspension of plant operations and production cuts at automakers are not likely to have significant direct effects, for instance in the form of contract cancellations, on the Group. Nevertheless, it is expected to take some time to recover to the pre-pandemic level. In addition, since a further slowdown of overseas economies could affect results at the Group, industry trends continue to be monitored going forward.

In this business environment, the Company actively promoted its businesses, and in particular its mainstay Design and Development Outsourcing business. Consequently, the Company recorded net sales of 4,697 million yen, an operating profit of 397 million yen, an ordinary profit of 406 million yen and profit of 476 million yen in the first six months under review.

The results in each segment are as follows.

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

In this segment, net sales stood at 4,612 million yen, and segment profit (operating profit) came to 859 million yen. The segment profit (operating profit) margin was 18.6%. The major factors that contributed to sales and profit were an increase in order volume primarily under dispatch contracts and a higher utilization rate of engineers including young engineers.

#### (b) 3D Printing business

In this segment, as a result of its main customers deferring the time of order placement, net sales came to 42 million yen while segment loss (operating loss) stood at 14 million yen,

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

In this segment, net sales were 11 million yen and segment loss (operating loss) came to 2 million yen due to the impact of a decrease in orders for OEM products.

#### (d) Real Estate Leasing business

In this segment, net sales stood at 30 million yen, and segment profit (operating profit) came to 11 million yen. The segment profit (operating profit) margin was 37.2%. The result reflected higher expenses including utility expenses for leased properties, although occupancy rates continued to be high.

The Company prepared consolidated quarterly financial statements for the first six months of the previous fiscal year, but it did not prepare non-consolidated quarterly financial statements. Therefore no comparison has been made with the same period of the previous fiscal year.

### (2) Explanation regarding financial position

Total assets at the end of the first six months under review stood at 9,034 million yen, up 674 million yen from the end of the previous fiscal year. This was primarily due to increases in investments and other assets. Total liabilities stood at 2,459 million yen, an increase of 241 million yen from the end of the previous fiscal year. This was mainly due to an increase in short-term borrowings. Net assets totaled 6,574 million yen, an increase of 432 million yen from the end of the previous fiscal year, mainly reflecting an increase in the valuation difference on available-for-sale securities.

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

Due to the acquisition of ABIST H&F Co., Ltd., its consolidated subsidiary, through an absorption-type merger, the Company now presents the consolidated financial results forecasts for the fiscal year ending September 30, 2023, which were announced on November 9, 2022, as its non-consolidated financial results forecasts for the fiscal year ending September 30, 2023. As stated in the “Notice Concerning Differences Between the Results Forecasts for the First Six Months of the Fiscal Year Ending September 30, 2023 and Actual Results” disclosed on May 10, 2023, there are factors that will contribute to an upward revision in financial results. However, the full-year impact of the revision is expected to be less than 30% of profit calculated at the results forecasting stage. Meanwhile, the full-year tax reduction effects of the loss carried forward, which was assumed by the Company as a result of the acquisition of the consolidated subsidiary through an absorption-type merger, will be smaller than those for the first six-month period. Taking these factors into account, the Company has decided not to revise the results forecasts for the fiscal year ending September 30, 2023.

## 2. Financial Statements and Primary Notes

### (1) Quarterly balance sheets

(Thousand yen)

	As of September 30, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	3,824,758	4,071,792
Accounts receivable - trade	1,339,707	1,309,583
Work in process	36,903	55,320
Raw materials and supplies	16,286	27,722
Prepaid expenses	110,198	82,184
Other	55,628	56,105
Total current assets	5,383,483	5,602,709
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	889,926	1,003,675
Land	941,587	1,030,745
Other, net	29,759	30,491
Total property, plant and equipment	1,861,273	2,064,913
Intangible assets	198,915	160,872
Investments and other assets	916,287	1,205,819
Total non-current assets	2,976,476	3,431,605
Total assets	8,359,959	9,034,314
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	50,000	250,000
Accounts payable - other	561,358	584,400
Income taxes payable	183,405	120,815
Provision for bonuses	350,008	360,273
Provision for shareholder benefit program	27,135	41,817
Other	182,129	171,640
Total current liabilities	1,354,036	1,528,946
Non-current liabilities		
Provision for retirement benefits	529,593	562,417
Provision for retirement benefits for directors (and other officers)	282,282	301,459
Other	51,615	66,537
Total non-current liabilities	863,490	930,414
Total liabilities	2,217,527	2,459,360
<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	4,171,105
Treasury shares	(1,176)	(1,176)
Total shareholders' equity	6,142,432	6,213,229
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	–	361,725
Total of valuation and translation adjustments, etc.	–	361,725
Total net assets	6,142,432	6,574,954
Total liabilities and net assets	8,359,959	9,034,314

(2) Non-consolidated quarterly statements of income

First six-month period

(Thousand yen)

	First six months ended March 31, 2023
Net sales	4,697,085
Cost of sales	3,467,870
Gross profit	1,229,214
Selling, general and administrative expenses	831,402
Operating profit	397,812
Non-operating income	
Interest income	236
Commission income	310
Subsidy income	1,301
Compensation income	6,992
Total non-operating income	8,841
Non-operating expenses	
Interest expenses	141
Total non-operating expenses	141
Ordinary profit	406,511
Extraordinary income	
Gain on sale of non-current assets	16,346
Total extraordinary income	16,346
Extraordinary losses	
Loss on extinguishment of tie-in shares	11,008
Total extraordinary losses	11,008
Profit before income taxes	411,849
Income taxes - current	94,531
Income taxes - deferred	(159,400)
Total income taxes	(64,868)
Profit	476,718

## (3) Non-consolidated quarterly statement of cash flows

(Thousand yen)

	First six months ended March 31, 2023
Cash flows from operating activities	
Profit before income taxes	411,849
Depreciation	65,189
Increase (decrease) in provision for bonuses	10,458
Increase (decrease) in provision for shareholder benefit program	14,681
Increase (decrease) in provision for retirement benefits	32,823
Increase (decrease) in provision for retirement benefits for directors (and other officers)	19,177
Interest and dividend income	(236)
Subsidy income	(1,301)
Interest expenses	141
Loss (gain) on sale and retirement of non-current assets	(16,346)
Loss (gain) on extinguishment of tie-in shares	11,008
Decrease (increase) in trade receivables	34,927
Decrease (increase) in inventories	(16,264)
Decrease (increase) in prepaid expenses	29,243
Increase (decrease) in accounts payable - other	3,163
Increase (decrease) in accrued consumption taxes	(16,893)
Other	4,997
Subtotal	<u>586,620</u>
Interest and dividends received	236
Interest paid	(147)
Subsidies received	1,301
Income taxes paid	(153,907)
Net cash provided by (used in) operating activities	<u>434,103</u>
Cash flows from investing activities	
Purchase of property, plant and equipment	(11,523)
Purchase of intangible assets	(929)
Proceeds from collection of loans receivable	3,031
Payments of leasehold and guarantee deposits	(1,062)
Proceeds from refund of leasehold and guarantee deposits	5,210
Net cash provided by (used in) investing activities	<u>(5,272)</u>
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	200,000
Repayments of finance lease obligations	(594)
Dividends paid	(405,674)
Net cash provided by (used in) financing activities	<u>(206,268)</u>
Net increase (decrease) in cash and cash equivalents	<u>222,563</u>
Cash and cash equivalents at beginning of period	3,824,758
Increase in cash and cash equivalents resulting from merger	24,471
Cash and cash equivalents at end of period	<u>4,071,792</u>



(4) Notes to non-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 six months ended March 31, 2023

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

(Thousand yen)

	Reportable segments				Total	Adjustment (Note 1)	Amount recorded in the non- 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	4,612,881	42,440	11,292	30,471	4,697,085	–	4,697,085
Inter-segment sales and transfers	–	–	33	–	33	(33)	–
Total	4,612,881	42,440	11,325	30,471	4,697,118	(33)	4,697,085
Segment profit (loss)	859,786	(14,869)	(2,335)	11,326	853,908	(456,095)	397,812

(Note 1) The adjustment consists of the following items.

The adjustment to segment profit (loss), (456,095 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 six months ended March 31, 2023

(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	2,627,294	–	–	–	2,627,294
Dispatch contract	1,957,406	–	–	–	1,957,406
Others	28,179	42,440	11,292	–	81,912
Revenue from contracts with customers	4,612,881	42,440	11,292	–	4,666,613
Other revenue	–	–	–	30,471	30,471
Sales to outside customers	4,612,881	42,440	11,292	30,471	4,697,085

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

(Significant subsequent events)

Not applicable.