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Summary of Consolidated Financial Results for the Three Months Ended November 30, 2023 (Based on Japanese GAAP)

January 12, 2024

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 12, 2024
 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, 2023 (from September 1, 2023 to November 30, 2023)

(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, 2023	293	-7.4	-119	—	-91	—	-78	—
November 30, 2022	316	-56.8	-51	—	-40	—	-35	—

Note: Comprehensive income Three months ended November 30, 2023: ¥ -73 Million [—%]
 Three months ended November 30, 2022: ¥ -30 Million [—%]

	Earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
November 30, 2023	-11.01	—
November 30, 2022	-4.99	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
November 30, 2023	2,779	1,861	67.0
August 31, 2023	2,719	1,934	71.2

Reference: Equity As of November 30, 2023: ¥ 1,861 Million
 As of August 31, 2023: ¥ 1,934 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 31,2023	—	0.00	—	0.00	0.00
August 31,2024	—	—	—	—	—
Fiscal year ending August 31,2024 (Forecast)	—	0.00	—	0.00	0.00

3. Forecast of consolidated financial results for the year ending August 31,2024 (from September 1,2023 to August 31,2024)

(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 29,2024	1,207	39.0	11	—	9	—	0	—	0.06
Full year	2,645	50.3	100	—	96	—	67	—	9.52

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 30,2023	7,109,400 shares
As of August 31,2023	7,109,400 shares

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

As of November 30,2023	— shares
As of August 31,2023	— shares

(iii) Average number of shares outstanding during the period

Three months ended November 30,2023	7,109,400 shares
Three months ended November 30,2022	7,055,400 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 31,2023	As of November 30,2023
Assets		
Current assets		
Cash and deposits	251,715	233,461
Accounts receivable-trade, and contract assets	267,541	212,100
Merchandise and finished goods	646,343	777,769
Raw materials and supplies	33,332	46,184
Income taxes refund receivable	67,441	69,668
Other	121,882	118,509
Allowance for doubtful accounts	△3,222	△3,547
Total current assets	1,385,034	1,454,146
Non-current assets		
Property, plant and equipment		
Buildings	484,953	484,953
Accumulated depreciation	△6,466	△8,890
Buildings, net	478,487	476,062
Facilities attached to buildings	166,821	166,821
Accumulated depreciation	△8,000	△11,127
Facilities attached to buildings, net	158,820	155,693
Structures	18,101	18,651
Accumulated depreciation	△609	△884
Structures, net	17,492	17,767
Vehicles	641	641
Accumulated depreciation	△641	△641
Vehicles, net	0	0
Tools, furniture and fixtures	187,550	192,636
Accumulated depreciation	△143,449	△151,804
Tools, furniture and fixtures, net	44,100	40,831
Land	292,589	292,589
Total property, plant and equipment	991,490	982,944
Intangible assets	36,649	40,821
Investments and other assets		
Investment securities	205,250	205,250
Other	101,228	96,825
Allowance for doubtful accounts	△355	△355
Total investments and other assets	306,123	301,720
Total non-current assets	1,334,263	1,325,486
Total assets	2,719,298	2,779,632

(Thousands of yen)

	As of August 31,2023	As of November 30,2023
Liabilities		
Current liabilities		
Accounts payable - trade	129,468	97,006
Short-term borrowings	460,000	660,000
Income taxes payable	21,395	5,064
Provision for bonuses	53,036	23,423
Provision for product warranties	9,036	7,340
Provision for loss on orders received	1,765	15,217
Other	108,047	108,789
Total current liabilities	782,750	916,840
Non-current liabilities		
Asset retirement obligations	1,643	1,643
Total non-current liabilities	1,643	1,643
Total liabilities	784,393	918,483
Net assets		
Shareholders' equity		
Share capital	804,937	804,937
Capital surplus	794,937	794,937
Retained earnings	331,562	253,295
Total shareholders' equity	1,931,437	1,853,170
Accumulated other comprehensive income		
Foreign currency translation adjustment	3,467	7,977
Total accumulated other comprehensive income	3,467	7,977
Total net assets	1,934,904	1,861,148
Total liabilities and net assets	2,719,298	2,779,632

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 30,2022	Three months ended November 30,2023
Net sales	316,766	293,346
Cost of sales	217,700	239,051
Gross profit	99,066	54,295
Selling, general and administrative expenses	150,662	173,848
Operating loss	△51,596	△119,553
Non-operating income		
Interest and dividend income	7	43
Foreign exchange gains	10,630	27,154
Miscellaneous income	823	1,951
Total non-operating income	11,462	29,150
Non-operating expenses		
Interest expenses	—	689
Provision of allowance for doubtful accounts	—	677
Total non-operating expenses	—	1,366
Ordinary loss	△40,134	△91,769
Extraordinary income		
Subsidy income	2,016	9
Total extraordinary income	2,016	9
Loss before income taxes	△38,118	△91,759
Income taxes - current	△1,987	△18,836
Income taxes - deferred	△942	5,342
Total income taxes	△2,929	△13,493
Loss	△35,188	△78,266
Loss attributable to owners of parent	△35,188	△78,266

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

(Thousands of yen)

	Three months ended November 30,2022	Three months ended November 30,2023
Loss	△35,188	△78,266
Other comprehensive income		
Foreign currency translation adjustment	4,342	4,510
Total other comprehensive income	4,342	4,510
Comprehensive income	△30,845	△73,756
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△30,845	△73,756
Comprehensive income attributable to non-controlling interests	—	—