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## Consolidated Financial Results for the Nine Months Ended December 31, 2023 [Japanese GAAP]

January 31, 2024

Company name: AS ONE CORPORATION

Stock exchange listing: Tokyo

Code number: 7476

URL: <https://www.as-1.co.jp/>

Representative: Iuchi Takuji

President

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Scheduled date of filing quarterly securities report: February 13, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

### I. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

#### (1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	68,651	4.1	7,533	(8.6)	7,871	(6.5)	5,422	(7.0)
December 31, 2022	65,919	6.7	8,239	31.9	8,415	30.7	5,829	26.8

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥ 5,134 million [ (14.4)% ]  
 Nine months ended December 31, 2022: ¥ 5,998 million [ (3.2)% ]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	149.79	149.58
December 31, 2022	156.15	155.93

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2023	94,266	65,088	68.9
March 31, 2023	97,479	63,968	65.5

(Reference) Equity: As of December 31, 2023: ¥ 64,968 million  
 As of March 31, 2023: ¥ 63,848 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	48.00	-	63.00	111.00
Fiscal year ending March 31, 2024	-	50.00	-		
Fiscal year ending March 31, 2024 (Forecast)				62.00	112.00

(Note) Revision to the forecast for dividends announced most recently: No

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	96,600	5.7	10,330	(9.4)	10,710	(8.0)	7,350	(9.4)	203.04

(Note) Revision to the financial results forecast announced most recently: No

\* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2023  
(changes in specified subsidiaries resulting in changes in scope of consolidation): No  
New - (Company name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

December 31, 2023: 40,276,270 shares

March 31, 2023: 40,276,270 shares

2) Number of treasury shares at the end of the period:

December 31, 2023: 4,072,743 shares

March 31, 2023: 4,088,337 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2023: 36,197,686 shares

Nine months ended December 31, 2022: 37,330,530 shares

(Note)

The indicated total number of treasury shares at the end of the period includes our Company stock (nine months ended December 2023: 90,494 shares, fiscal year ended March 2023: 101,952 shares) held by Custody Bank of Japan, Ltd. (Trust Account) as trust assets for our board benefit trust (for directors) and our employee stock ownership plan trust.

The quarter earnings summary is not subject to a quarterly review by a Certified Public Accountant or an auditing firm.

Earnings forecasts and other forward-looking statements indicated in this document are based on certain assumptions deemed as reasonable based on available information at the time of creation. The information in this document does not constitute any promise concerning the achievement of said performance. Actual performance may vary significantly due to various factors.

## Overview of Operating Results

Cumulative Q3 FY03/24 results (out January 31, 2024)

In cumulative Q3 FY03/24, sales were JPY68.7bn (+4.1% YoY), operating profit was JPY7.5bn (-8.6% YoY), recurring profit was JPY7.9bn (-6.5% YoY) and net income attributable to owners of the parent was JPY5.4bn (-7.0% YoY).

Sales increased YoY. Strong demand at mainstay customers (research labs and factories) from 1H FY03/23 continued in 1H FY03/24. Thanks to synergies from Ours more than 10.2mn products due to its more robust ability to secure orders and an expanding customer base, especially for e-commerce, synergies were generated and increased sales of long-tail products (products with relatively low-volume sales). Therefore, we were able to compensate for the demand decline of infection control products associated with the change of the legal status of COVID-19.

GPM fell 0.3pp YoY due to a reactionary decline in market prices after COVID-19 was brought under control in the Medical Instruments Division although we applied flexible pricing for rising procurement costs.

SG&A expenses were JPY13.7bn (+10.8% YoY). There was an increase in rental fees for real estate properties due partly to the opening of the Hanshin DC, a new logistics base. As for other expenses, there was an increase in personnel expenses due to wage hikes implemented as part of human resource investments, but overall, these were contained owing to the reduction of shipment and other costs in line with the full-year forecast for FY03/24.

### Research and Industrial Instruments Division

In 1H FY03/24, sales of Research and Industrial Instruments were JPY56.2bn (+8.5% YoY), with sales of Scientific Sector totaling JPY42.0bn (+9.2% YoY), and sales of Industrial Sector at JPY14.2bn (+6.5% YoY).

Scientific Sector caters to universities, research institutes, and corporate research departments. As active research activities were conducted in both the public and private sectors, this business saw an increase in sales of laboratory consumables, analytical instruments such as pipettes, and high-priced analyzers. Solid domestic R&D demand from the previous fiscal year continued. By sales channel, sales through single-source purchasing systems and sales via online sellers were a sales driver, improving 13.9% YoY. A new consolidated subsidiary joined the group in June 2023 and contributed about 1.6% to sales in the Scientific Sector from July onwards.

Industrial Sector, which focuses on manufacturing plants, saw higher sales for cleanroom supplies, measuring equipment, and other products, as a recovery in consumer spending and the easing of supply constraints led to an increase in factory operating rates. By sales channel, as was the case with the Scientific Sector, sales through single-source purchasing systems and sales via online sellers were a sales driver, improving 15.0% YoY.

### Medical Instruments Division

Sales in the Medical Instruments Division were JPY12.1bn (-12.0% YoY). Although the seventh and eighth waves of COVID-19 created demand for infection control products in cumulative Q3 FY03/23, demand fell following the change in the legal status of COVID-19 to category 5 in cumulative Q3 FY03/24. In addition, we saw a reactionary decline in demand in connection with the release of stockpiled medical supplies by the government and local government agencies. On the other hand, sales of storage equipment and beds increased due to new openings and facility renovations. There were also inquiries concerning the mandatory

formulation of business continuity plans (BCP) for nursing care facilities (for April 2024).

## Others

Sales in the Other product category were JPY416mn (-4.3% YoY).

Here, subsidiary Triumph21 Co., Ltd. provides a web-based purchasing agency service and systems for laboratory instruments and supplies using the "OffSide" system among others. Revenue through system usage fees grew, but not enough to offset the drop in sales of dedicated systems for individual companies, which were recorded in one lump sum in cumulative Q3 FY03/23.

Progress of sales initiatives under Project ONE medium-term business plan

E-commerce sales were JPY20.0bn (+15.4% YoY), and overseas business sales were JPY3.8bn (+1.3% YoY).

Sales were up 13.4% YoY in the open-site (i.e., open to the public) e-commerce channels and 17.4% YoY in the members-only e-commerce channels.

Sales to online retailers and open-site e-commerce channels such as AXEL Shop finished the period up versus the same period the previous year thanks to an expansion in the number of company products listed by online sellers, and improved convenience through various collaborations.

In the members-only e-commerce channels, including retail e-commerce support service WAVE and Ocean, a single-source purchasing system for large businesses, the YoY increase in sales reflected an increase in new accounts, as well as an expansion in usage sites at existing user companies due to an increase in listed products and extension of customers' research facilities.

In overseas operations, sales in China were down 1.5% YoY (-3.4% YoY on a local currency basis). Export sales from Japan to Asian countries other than China rose 6.7% YoY.

In China, sales decreased due to the economic stagnation despite the expanded product lineup and promotional activities for Japanese-made bio-related equipment proved successful.

For exports from Japan to Asian countries other than China, we expanded the number of products listed on AXEL\_GLOBAL and Wave\_GLOBAL, multi-language websites, and the listing of products with overseas specifications, reaching a total of about 2.4mn. Moreover, with the resumption of travel, focused sales promotions through strengthened communication with local dealers resulted in an increase in sales.

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	17,612,260	13,894,584
Notes and accounts receivable - trade	21,437,544	20,022,692
Electronically recorded monetary claims - operating	10,897,523	12,217,727
Securities	1,000,000	200,723
Inventories	11,007,670	11,168,918
Other	714,956	896,886
Allowance for doubtful accounts	(9,962)	(9,276)
Total current assets	62,659,993	58,392,256
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,644,891	2,817,600
Land	1,834,659	2,048,687
Other, net	3,215,995	3,232,329
Total property, plant and equipment	7,695,546	8,098,617
Intangible assets	1,564,271	1,634,525
Investments and other assets		
Investment securities	20,492,715	21,007,894
Deferred tax assets	86,907	93,730
Investment property, net	3,834,115	3,790,715
Other	1,168,021	1,279,034
Allowance for doubtful accounts	(22,136)	(30,156)
Total investments and other assets	25,559,623	26,141,217
Total non-current assets	34,819,441	35,874,361
Total assets	97,479,434	94,266,617
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	19,689,945	18,672,248
Short-term borrowings	2,750,000	1,663,784
Income taxes payable	2,217,975	476,614
Provision for bonuses	879,849	457,792
Other	1,767,513	2,203,192
Total current liabilities	27,305,283	23,473,633
Non-current liabilities		
Long-term borrowings	3,437,500	2,636,046
Deferred tax liabilities	906,000	879,920
Provision for share awards	147,542	84,001
Provision for share awards for directors (and other officers)	58,233	58,233
Retirement benefit liability	122,518	134,659
Asset retirement obligations	905,297	1,241,333
Other	628,937	670,727
Total non-current liabilities	6,206,028	5,704,920
Total liabilities	33,511,312	29,178,553

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	5,075,000	5,075,000
Capital surplus	4,337,748	4,350,932
Retained earnings	58,286,371	59,607,586
Treasury shares	(9,989,561)	(9,916,160)
Total shareholders' equity	57,709,558	59,117,357
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,830,305	5,370,842
Foreign currency translation adjustment	308,467	480,073
Total accumulated other comprehensive income	6,138,773	5,850,915
Share acquisition rights	119,790	119,790
Total net assets	63,968,121	65,088,063
Total liabilities and net assets	97,479,434	94,266,617

Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Net sales	65,919,573	68,651,458
Cost of sales	45,303,347	47,409,058
Gross profit	20,616,226	21,242,400
Selling, general and administrative expenses	12,376,725	13,708,983
Operating profit	8,239,500	7,533,416
Non-operating income		
Interest income	68,789	91,593
Dividend income	37,236	48,176
Rental income from real estate	322,186	322,984
Other	17,073	41,235
Total non-operating income	445,285	503,990
Non-operating expenses		
Interest expenses	2,104	3,745
Rental costs on real estate	138,656	136,222
Foreign exchange losses	104,066	9,867
Other	23,988	15,677
Total non-operating expenses	268,816	165,511
Ordinary profit	8,415,970	7,871,895
Extraordinary income		
Gain on sale of investment securities	30,844	-
Total extraordinary income	30,844	-
Profit before income taxes	8,446,814	7,871,895
Income taxes - current	2,463,601	2,249,149
Income taxes - deferred	154,157	200,567
Total income taxes	2,617,758	2,449,716
Profit	5,829,056	5,422,178
Profit attributable to owners of parent	5,829,056	5,422,178

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Thousands of yen)

	For the nine months ended December 31, 2022	For the nine months ended December 31, 2023
Profit	5,829,056	5,422,178
Other comprehensive income		
Valuation difference on available-for-sale securities	(66,651)	(459,463)
Foreign currency translation adjustment	236,034	171,606
Total other comprehensive income	169,383	(287,857)
Comprehensive income	5,998,439	5,134,321
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,998,439	5,134,321