

**Non-consolidated Financial Results for the  
First Quarter of the Fiscal Year Ending June 30, 2023  
(Three Months Ended September 30, 2022)**

**[Japanese GAAP]**

November 10, 2022

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Listing: Tokyo Stock Exchange  
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Scheduled date of filing of Quarterly Report: November 14, 2022  
Scheduled date of payment of dividend: -  
Preparation of supplementary materials for quarterly financial results: None  
Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

**1. Non-consolidated Financial Results for the First Quarter of the Fiscal Year Ending June 30, 2023  
(July 1, 2022 to September 30, 2022)**

(1) Results of operations (Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended Sep. 30, 2022	446	(3.0)	87	(26.6)	83	(30.7)	57	(30.8)
Three months ended Sep. 30, 2021	460	36.4	119	91.0	120	90.0	83	90.2

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Sep. 30, 2022	11.53	-
Three months ended Sep. 30, 2021	17.39	-

(2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2022	9,005	8,241	91.5
As of Jun. 30, 2022	9,479	8,688	91.7

Reference: Shareholders' equity (millions of yen)      As of Sep. 30, 2022: 8,241      As of Jun. 30, 2022: 8,688

**2. Dividends**

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2022	-	0.00	-	100.00	100.00
Fiscal year ending Jun. 30, 2023	-				
Fiscal year ending Jun. 30, 2023 (forecast)		0.00	-	100.00	100.00

Note: Revision to the most recently announced dividend forecast: None

**3. Earnings Forecast for the Fiscal Year Ending June 30, 2023 (July 1, 2022 to June 30, 2023)**

(Percentages represent year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	967	2.9	275	9.3	280	8.5	189	6.7	37.88
Full year	1,950	4.4	444	2.6	454	2.2	306	(1.3)	61.17

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

**\* Notes**

(1) Application of special accounting methods for presenting quarterly non-consolidated financial statements: None

(2) Changes in accounting policies and accounting estimates, and restatements

1) Changes in accounting policies due to revisions in accounting standards, others: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Restatements: None

(3) Number of shares outstanding (common shares)

1) Number of outstanding shares as of the end of the period (including treasury shares)

As of Sep. 30, 2022:	6,000,000 shares	As of Jun. 30, 2022:	6,000,000 shares
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2) Number of treasury shares as of the end of the period

As of Sep. 30, 2022:	992,460 shares	As of Jun. 30, 2022:	988,460 shares
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3) Average number of outstanding shares during the period

Three months ended Sep. 30, 2022:	5,007,975 shares	Three months ended Sep. 30, 2021:	4,798,451 shares
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\* The current quarterly financial results are not subject to the quarterly review by certified public accountants or auditing firms.

\* Explanation of appropriate use of earnings forecasts, and other special items

Forecasts of future performance in these materials are based on assumptions judged to be valid and information available to the A-One Seimitsu's management at the time these materials were prepared. Actual results may differ significantly from these forecasts for a number of reasons. Please refer to "Explanation of Earnings Forecast and Other Forward-looking Statements" on page 3 for forecast assumptions and notes of caution for usage.

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## 1. Qualitative Information on Quarterly Financial Performance

### (1) Explanation of Results of Operations

The upturn of the Japanese economy apparently stopped in the first quarter of the current fiscal year due to the effects of worldwide inflation and monetary tightening in many countries to attempt to control inflation.

In the Japanese manufacturing sector, indications are emerging of a small decline in orders. In the semiconductor industry, some companies are reducing inventories as demand for PCs and smartphones settles down as many people who started working at home and using telework due to the pandemic are returning to workplaces. Semiconductor demand is expected to continue to increase for many reasons, including anticipated growth and progress involving the IoT, artificial intelligence and the digital transformation. The volume of orders is particularly high for semiconductor manufacturing equipment. In addition, orders are strong for pneumatic and other components used in this equipment. Although orders in the machine tools category are somewhat slow, the order backlog is still large and factory utilization rates are high. In the automobile industry, the business climate is unstable as companies repeatedly raise and lower output because of shortages of parts.

Other than Japan, many countries are raising interest rates, which is creating worries about a downturn of the real estate market, increase in non-performing loans and other negative effects on the economy. Manufacturers are beginning to feel the effects of slowing economic growth. Although prices have increased significantly in Japan, prices of consumer goods are still not as high as in other countries. Consumer spending is starting to recover as the severity of the pandemic declines. Furthermore, the weaker yen is likely to increase spending in Japan by foreign tourists. Overall, there are signs of both strength and weakness in the Japanese economy. Due to these market conditions, there was a small decrease in total orders at A-One Seimitsu.

In the collet chuck segment, there was a small decrease in orders as capacity utilization at manufacturers in Japan declined. Although the semiconductor manufacturing equipment and a few other market sectors remain strong, the production of mass produced automotive, electronic and other parts is declining because of the difficulty of procuring parts. Segment earnings were lower and the decline made larger by higher expenses associated with granting restricted stock as remuneration to employees at the end of 2021.

Segment sales were 305 million yen, down 5.9% year on year, and the segment profit was 132 million yen, down 15.2%.

In the cutting tools segment, there was a small increase in first quarter orders. Orders were at the usual level in July and August but rose somewhat in September as the breadth of orders increased slowly for both the regrinding of general-purpose cutting tools and for special-order cutting tools.

In the market for the fabrication and regrinding of special-order cutting tools, an increasing number of customers are becoming aware of A-One Seimitsu's expertise due to the on-time delivery of high-quality tools that precisely meet requirements for intricate shapes. The result was a 7.3% increase in sales from the same period in the previous fiscal year to 39 million yen.

In the market for regrinding general-purpose cutting tools, A-One Seimitsu further increased its reputation for reliability among customers by meeting demands for quality and delivery times for both large and small orders. As a result, sales were up 3.4% from the same period in the previous fiscal year to 97 million yen.

Segment sales were 136 million yen, up 4.5% year on year, and segment profit was 25 million yen, down 19.7%. An increase in expenses involving the granting of restricted stock to employees at the end of 2021 was the reason for the decline in earnings.

In the automatic lathe cams segment, sales and earnings decreased as a demand was firm for mass-produced components processed by using cam-type automatic lathes but new orders for cams decreased.

Segment sales were 4 million yen, down 13.1% year on year, and segment profit was 1 million yen, down 30.3%.

Net sales in the first quarter were 446 million yen, down 3.0% year on year. Operating profit decreased 26.6% to 87 million yen, ordinary profit decreased 30.7% to 83 million yen, and profit decreased 30.8% to 57 million yen.

**(2) Explanation of Financial Position**

## Assets

Current assets amounted to 7,300 million yen at the end of the first quarter of the current fiscal year, a decrease of 418 million yen from 7,719 million yen at the end of the previous fiscal year. This is mainly due to decreases of 416 million yen in cash and deposits, 6 million yen in notes and accounts receivable – trade and 1 million yen in finished goods, which were partially offset by increases of 4 million yen in raw materials and 1 million yen in work in process.

Non-current assets amounted to 1,704 million yen, a decrease of 55 million yen from 1,759 million yen at the end of the previous fiscal year. This is mainly due to decreases of 28 million yen in long-term prepaid expenses, 18 million yen in machinery and equipment, 8 million yen in buildings and structures, and 5 million yen in investment securities, which were partially offset by an increase of 6 million yen in deferred tax assets.

As a result, total assets at the end of the first quarter of the current fiscal year were 9,005 million yen, compared with 9,479 million yen at the end of the previous fiscal year.

## Liabilities

Current liabilities amounted to 238 million yen at the end of the first quarter of the current fiscal year, a decrease of 26 million yen from 265 million yen at the end of the previous fiscal year. This is mainly due to decreases of 79 million yen in income taxes payable, 8 million yen in provision for bonuses for directors (and other officers), and 5 million yen in other, which was partially offset by an increase of accounts payable – other of 68 million yen.

Non-current liabilities amounted to 524 million yen, a decrease of 450 thousand yen from 525 million yen at the end of the previous fiscal year. This is mainly due to a decrease of 8 million yen in provision for retirement benefits for directors (and other officers), which was partially offset by increases of 6 million yen in provision for retirement benefits and 1 million yen in other.

As a result, total liabilities at the end of the first quarter of the current fiscal year were 763 million yen, compared with 790 million yen at the end of the previous fiscal year.

## Net assets

Net assets totaled 8,241 million yen, a decrease of 447 million yen from 8,688 million yen at the end of the previous fiscal year. This was mainly due to decreases of 443 million yen in retained earnings and 3 million yen in valuation difference on available-for-sale securities.

**(3) Explanation of Earnings Forecast and Other Forward-looking Statements**

There are no changes at this time in the first half and full year forecasts that were announced on August 10, 2022.

**2. Quarterly Non-consolidated Financial Statements and Notes****(1) Quarterly Non-consolidated Balance Sheet**

	(Thousands of yen)	
	FY6/22 (As of Jun. 30, 2022)	First quarter of FY6/23 (As of Sep. 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	6,965,864	6,549,087
Notes and accounts receivable - trade	386,287	379,573
Finished goods	3,428	1,696
Raw materials	31,906	36,882
Work in process	233,739	234,928
Prepaid expenses	97,716	97,716
Other	933	992
Allowance for doubtful accounts	(158)	(158)
Total current assets	7,719,717	7,300,718
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	442,625	434,081
Machinery, equipment and vehicles, net	496,636	478,042
Land	333,534	333,534
Other, net	11,117	10,662
Total property, plant and equipment	1,283,914	1,256,321
Intangible assets	3,850	3,624
Investments and other assets		
Investment securities	145,388	140,130
Long-term prepaid expenses	138,745	110,234
Deferred tax assets	187,529	193,896
Other	879	843
Allowance for doubtful accounts	(540)	(559)
Total investments and other assets	472,002	444,546
Total non-current assets	1,759,767	1,704,492
Total assets	9,479,485	9,005,210
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	18,589	17,106
Accounts payable - other	89,866	158,587
Income taxes payable	115,450	35,547
Provision for bonuses for directors (and other officers)	10,700	1,970
Other	30,884	25,541
Total current liabilities	265,490	238,752
Non-current liabilities		
Provision for retirement benefits	376,525	383,151
Provision for retirement benefits for directors (and other officers)	139,540	130,710
Other	8,975	10,729
Total non-current liabilities	525,040	524,590
Total liabilities	790,531	763,343

	(Thousands of yen)	
	FY6/22 (As of Jun. 30, 2022)	First quarter of FY6/23 (As of Sep. 30, 2022)
Net assets		
Shareholders' equity		
Share capital	292,500	292,500
Capital surplus	481,250	481,250
Retained earnings	8,567,962	8,124,551
Treasury shares	(692,283)	(692,283)
Total shareholders' equity	8,649,428	8,206,017
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	39,525	35,849
Total valuation and translation adjustments	39,525	35,849
Total net assets	8,688,953	8,241,867
Total liabilities and net assets	9,479,485	9,005,210

**(2) Quarterly Non-consolidated Statement of Income**  
**For the Three-month Period**

	(Thousands of yen)	
	First three months of FY6/22 (Jul. 1, 2021 – Sep. 30, 2021)	First three months of FY6/23 (Jul. 1, 2022 – Sep. 30, 2022)
Net sales	460,818	446,897
Cost of sales	272,414	289,241
Gross profit	188,404	157,655
Selling, general and administrative expenses	69,217	70,195
Operating profit	119,186	87,460
Non-operating income		
Interest income	47	48
Electricity sale income	1,099	202
Reversal of allowance for doubtful accounts	8	-
Gain on sale of scraps	547	364
Other	62	159
Total non-operating income	1,766	774
Non-operating expenses		
Loss on extinguishment of share-based remuneration expenses	-	4,430
Total non-operating expenses	-	4,430
Ordinary profit	120,952	83,804
Extraordinary losses		
Loss on retirement of non-current assets	-	0
Total extraordinary losses	-	0
Profit before income taxes	120,952	83,804
Income taxes - current	38,600	30,846
Income taxes - deferred	(1,109)	(4,784)
Total income taxes	37,491	26,062
Profit	83,461	57,742



### **(3) Notes to Quarterly Non-consolidated Financial Statements**

#### **Going Concern Assumption**

Not applicable.

#### **Significant Changes in Shareholders' Equity**

Not applicable.

#### **Changes in Accounting Policies**

##### **Implementation Guidance on Application of the Accounting Standard for Fair Value Measurement**

We have applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (ASBJ Statement No. 31 issued on June 17, 2021; hereinafter the "Implementation Guidance on Fair Value Measurement Accounting Standard"), from the beginning of the first quarter of the current fiscal year. In accordance with the transitional treatment set forth in Paragraph 27-2 of the Implementation Guidance on Fair Value Measurement Accounting Standard, we have decided to prospectively apply the new accounting policy set forth in the Implementation Guidance on Fair Value Measurement Accounting Standard, etc. This decision has no impact on the financial statements.

#### **Non-consolidated Statement of Income**

A-One Seimitsu acquired at no cost all 4,000 shares of its common stock that was distributed as restricted stock compensation to employees who subsequently resigned, as provided for in the restricted stock allocation contract. The cost of stock compensation for the 4,000 shares for the remaining portion of the contract period, which was recognized on the balance sheet as prepaid expenses and long-term prepaid expenses, was extinguished and a non-operating expense for a loss on the extinguishment of the cost of stock compensation was recognized.

**Segment and Other Information**

## Segment information

## I. First three months of FY6/22 (Jul. 1, 2021 – Sep. 30, 2021)

Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on quarterly non-consolidated statement of income (Note 2)
	Collet Chucks	Cutting Tools	Automatic Lathe Cams	Total		
Net sales						
External sales	324,907	131,020	4,889	460,818	-	460,818
Inter-segment sales and transfers	-	-	-	-	-	-
Total	324,907	131,020	4,889	460,818	-	460,818
Segment profit	156,705	31,887	1,697	190,290	(71,104)	119,186

Notes: 1. The adjustment to segment profit includes common expenses of (1,886) thousand yen at the manufacturing department and selling, general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit is adjusted to be consistent with operating profit shown on the quarterly non-consolidated statement of income.

## II. First three months of FY6/23 (Jul. 1, 2022 – Sep. 30, 2022)

Information related to net sales and profit or loss for each reportable segment

(Thousands of yen)

	Reportable segment				Adjustment (Note 1)	Amounts shown on quarterly non-consolidated statement of income (Note 2)
	Collet Chucks	Cutting Tools	Automatic Lathe Cams	Total		
Net sales						
External sales	305,749	136,898	4,249	446,897	-	446,897
Inter-segment sales and transfers	-	-	-	-	-	-
Total	305,749	136,898	4,249	446,897	-	446,897
Segment profit	132,909	25,602	1,182	159,694	(72,233)	87,460

Notes: 1. The adjustment to segment profit includes common expenses of (2,038) thousand yen at the manufacturing department and selling, general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit is adjusted to be consistent with operating profit shown on the quarterly non-consolidated statement of income.

**Revenue Recognition**

Information on revenue from contracts with customers broken down

First three months of FY6/22 (Jul. 1, 2021 – Sep. 30, 2021)

(Thousands of yen)

	Reportable segment					Total
	Collet Chucks	Cutting Tools			Automatic Lathe Cams	
		Fabrication and Regrinding of Special-order Cutting Tools	General-purpose Cutting Tools	Subtotal		
Manufacture of tools	324,907	36,411	-	36,411	4,889	366,209
Other	-	-	94,609	94,609	-	94,609
Revenue from contracts with customers broken down	324,907	36,411	94,609	131,020	4,889	460,818
Other revenue	-	-	-	-	-	-
External sales	324,907	36,411	94,609	131,020	4,889	460,818

First three months of FY6/23 (Jul. 1, 2022 – Sep. 30, 2022)

(Thousands of yen)

	Reportable segment					Total
	Collet Chucks	Cutting Tools			Automatic Lathe Cams	
		Fabrication and Regrinding of Special-order Cutting Tools	General-purpose Cutting Tools	Subtotal		
Manufacture of tools	305,749	39,066	-	39,066	4,249	349,065
Other	-	-	97,832	97,832	-	97,832
Revenue from contracts with customers broken down	305,749	39,066	97,832	136,898	4,249	446,897
Other revenue	-	-	-	-	-	-
External sales	305,749	39,066	97,832	136,898	4,249	446,897

*This financial report is solely a translation of “Kessan Tanshin” (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.*