

**Non-consolidated Financial Results for the
First Quarter of the Fiscal Year Ending June 30, 2024
(Three Months Ended September 30, 2023)**

[Japanese GAAP]

November 10, 2023

Company name: A-ONE SEIMITSU INC.
Stock code: 6156
Representative: Tetsuya Hayashi, President
Contact: Tetsuya Hayashi, President
Tel: +81-(0)42-363-1039

Listing: Tokyo Stock Exchange
URL: <https://www.a-one-seimitsu.co.jp/>

Scheduled date of filing of Quarterly Report: November 13, 2023
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, 2024
(July 1, 2023 to September 30, 2023)**

(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, 2023	404	(9.5)	61	(30.1)	61	(26.3)	41	(27.5)
Three months ended Sep. 30, 2022	446	(3.0)	87	(26.6)	83	(30.7)	57	(30.8)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Sep. 30, 2023	8.36	-
Three months ended Sep. 30, 2022	11.53	-

(2) Financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2023	8,821	8,001	90.7
As of Jun. 30, 2023	9,206	8,431	91.6

Reference: Shareholders' equity (millions of yen) As of Sep. 30, 2023: 8,001 As of Jun. 30, 2023: 8,431

2. Dividends

	Dividend per share				
	1Q-end	2Q-end	3Q-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Jun. 30, 2023	-	0.00	-	100.00	100.00
Fiscal year ending Jun. 30, 2024	-	-	-	-	-
Fiscal year ending Jun. 30, 2024 (forecast)	-	0.00	-	100.00	100.00

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

3. Earnings Forecast for the Fiscal Year Ending June 30, 2024 (July 1, 2023 to June 30, 2024)

(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	832	(7.1)	138	(20.7)	140	(20.1)	93	(22.4)	18.58
Full year	1,850	5.4	280	1.6	287	1.9	198	3.2	39.56

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: None

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, 2023:	5,300,000 shares	As of Jun. 30, 2023:	6,000,000 shares
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2) Number of treasury shares as of the end of the period

As of Sep. 30, 2023:	294,460 shares	As of Jun. 30, 2023:	994,460 shares
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3) Average number of outstanding shares during the period

Three months ended Sep. 30, 2023:	5,005,540 shares	Three months ended Sep. 30, 2022:	5,007,975 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 growth of the Japanese economy became slower in the first quarter of the current fiscal year because of inflation and interest rate hikes worldwide, economic tension between countries, especially the U.S. and China, and increasing geopolitical risk.

Interest rate hikes in many countries to bring down inflation are beginning to have an effect on the global economy. Higher interest rates on mortgages are reducing demand and prices in the real estate market. In Europe, the economy is continuing to weaken. In China, the real estate market downturn is causing a liquidity crisis at many companies as well as general financial instability. In emerging countries, the risk premium is increasing along with the growth of debt. Furthermore, the prices of energy and grain are rising because of the Ukraine crisis and conflicts in other parts of the world, and tension between the U.S. and China is disrupting the flow of various products. Costs to procure resources and parts are rising as a result. Overall, an increasing number of events are having a negative impact on the global economy and the decline in the economy is gaining momentum due to soft demand worldwide. In the U.S., unemployment is low and there are indicators showing both economic strength and weakness amid persistent inflation and after a rapid increase in interest rates.

In Japan, activities are returning to normal following the end of pandemic restrictions and the economy is also backed by a recovery in demand from foreign tourists. As a result, consumer spending is recovering, chiefly in the service sector. In the manufacturing sector, there is a slow recovery centered on large companies as energy prices have stopped climbing and prices of corporate goods are not rising as quickly as earlier in the year. Production in Japan is increasing, mainly in the automobile industry, as supplies of semiconductors and other parts recover. However, orders received from companies in the semiconductor industry are decreasing as companies reduce inventories in response to the downturn in the semiconductor market. In China and Europe, orders are generally lower for machine tools, construction machinery, electronic parts and many other products because of sluggish economic growth. Demand has been relatively firm in sectors involving labor-saving and automation equipment due to the labor shortage and equipment for manufacturing electric vehicles.

In the collet chucks segment, a decline in the processing of mass-produced components in Japan and lower production of mass-produced components in China and other regions of Asia reduced orders received in August and September.

Segment sales were 284 million yen, down 7.1% year on year, and segment profit was 115 million yen, down 13.0%.

In the cutting tools segment, orders decreased because of lower machinery utilization rates at companies in many industries other than the automotive parts processing sector. In August, orders received fell as small and midsize companies used for outsourcing took time off during the summer vacation period of large companies. In September, there was a small recovery in orders as large companies approached the end of a fiscal period.

As for the fabrication and regrinding of special-order cutting tools, most of these tools require difficult processing and have complex shapes. Many companies require highly specialized cutting tools for processing new parts and raising the efficiency of processing. Although machinery utilization rates at client companies decreased overall, there was a small decrease in orders. The result was sales of 37 million yen, down 2.8%.

In the market for regrinding general-purpose cutting tools, companies require regrinding of these tools used for cutting processes in a broad range of industries. Orders decreased as the volume of work at most client companies declined and sales were 79 million yen, down 18.4%.

Segment sales were 117 million yen, down 14.0% year on year, and segment profit was 15 million yen, down 38.2%.

In the automatic lathe cams segment, a decline in mass-produced components processed by using cam-type automatic lathes reduced orders.

Segment sales were 2 million yen, down 45.2% year on year, and segment loss was 2 million yen compared with a profit of 1 million yen one year earlier.

Net sales in the first quarter of the fiscal year ending June 30, 2024 were 404 million yen, down 9.5% year on year. Operating profit decreased 30.1% to 61 million yen, ordinary profit decreased 26.3% to 61 million yen, and profit

decreased 27.5% to 41 million yen.

(2) Explanation of Financial Position

Assets

Current assets amounted to 7,128 million yen at the end of the first quarter of the current fiscal year, a decrease of 409 million yen from 7,538 million yen at the end of the previous fiscal year. This is mainly due to decreases of 428 million yen in cash and deposits and 1 million yen in raw materials, which were partially offset by increases of 14 million yen in work in process and 5 million yen in notes and accounts receivable - trade.

Non-current assets amounted to 1,693 million yen, an increase of 24 million yen from 1,668 million yen at the end of the previous fiscal year. This is mainly due to increases of 42 million yen in investment securities and 22 million yen in other under property, plant and equipment, which were partially offset by decreases of 23 million yen in long-term prepaid expenses, 9 million yen in machinery, equipment and vehicles, and 7 million yen in buildings and structures.

As a result, total assets at the end of the first quarter of the current fiscal year were 8,821 million yen, compared with 9,206 million yen at the end of the previous fiscal year.

Liabilities

Current liabilities amounted to 252 million yen at the end of the first quarter of the current fiscal year, an increase of 50 million yen from 201 million yen at the end of the previous fiscal year. This is mainly due to an increase of 75 million yen in accounts payable - other, which was partially offset by decreases of 18 million yen in income taxes payable and 5 million yen in provision for bonuses for directors (and other officers).

Non-current liabilities amounted to 567 million yen, a decrease of 6 million yen from 573 million yen at the end of the previous fiscal year. This is mainly due to a decrease of 10 million yen in provision for retirement benefits, which was partially offset by an increase of 141 million yen in other.

As a result, total liabilities at the end of the first quarter of the current fiscal year were 819 million yen, compared with 775 million yen at the end of the previous fiscal year.

At the 33rd Annual General Meeting of Shareholders held on September 23, 2023, shareholders approved a final payment associated with the termination of the retirement benefit program for directors and other officers. As a result, amounts owed but not yet paid in the provision for retirement benefits for directors (and other officers), which is a non-current liability, have been reclassified as long-term accounts payable, which is included in other non-current liabilities.

Net assets

Net assets totaled 8,001 million yen, a decrease of 429 million yen from 8,431 million yen at the end of the previous fiscal year. This was mainly due to decreases of 802 million yen in retained earnings and 143 million yen in capital surplus, which were partially offset by a decrease of 487 million yen in treasury shares and an increase of 29 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, 2023.

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

	(Thousands of yen)	
	FY6/23 (As of Jun. 30, 2023)	First quarter of FY6/24 (As of Sep. 30, 2023)
Assets		
Current assets		
Cash and deposits	6,814,158	6,386,085
Notes and accounts receivable - trade	327,118	332,326
Finished goods	3,126	3,041
Raw materials	42,332	40,339
Work in process	255,511	270,258
Prepaid expenses	94,966	95,373
Other	1,253	1,264
Allowance for doubtful accounts	(10)	0
Total current assets	7,538,455	7,128,690
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	422,911	415,317
Machinery, equipment and vehicles, net	428,567	418,613
Land	333,534	333,534
Other, net	11,135	33,777
Total property, plant and equipment	1,196,149	1,201,243
Intangible assets	2,945	2,719
Investments and other assets		
Investment securities	218,888	260,984
Long-term prepaid expenses	42,470	18,704
Deferred tax assets	207,547	208,988
Other	675	921
Allowance for doubtful accounts	(540)	(540)
Total investments and other assets	469,041	489,058
Total non-current assets	1,668,136	1,693,021
Total assets	9,206,592	8,821,712

	(Thousands of yen)	
	FY6/23 (As of Jun. 30, 2023)	First quarter of FY6/24 (As of Sep. 30, 2023)
Liabilities		
Current liabilities		
Accounts payable - trade	15,497	15,618
Accounts payable - other	84,612	159,691
Income taxes payable	56,095	37,910
Provision for bonuses for directors (and other officers)	6,900	1,400
Other	38,397	37,872
Total current liabilities	201,502	252,492
Non-current liabilities		
Provision for retirement benefits	420,016	409,262
Provision for retirement benefits for directors (and other officers)	137,440	-
Other	16,521	158,115
Total non-current liabilities	573,977	567,377
Total liabilities	775,480	819,870
Net assets		
Shareholders' equity		
Share capital	292,500	292,500
Capital surplus	481,250	337,400
Retained earnings	8,258,743	7,456,601
Treasury shares	(692,283)	(204,985)
Total shareholders' equity	8,340,210	7,881,516
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	90,901	120,326
Total valuation and translation adjustments	90,901	120,326
Total net assets	8,431,111	8,001,842
Total liabilities and net assets	9,206,592	8,821,712

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

	(Thousands of yen)	
	First three months of FY6/23 (Jul. 1, 2022 – Sep. 30, 2022)	First three months of FY6/24 (Jul. 1, 2023 – Sep. 30, 2023)
Net sales	446,897	404,224
Cost of sales	289,241	275,395
Gross profit	157,655	128,828
Selling, general and administrative expenses	70,195	67,707
Operating profit	87,460	61,120
Non-operating income		
Interest income	48	48
Electricity sale income	202	51
Reversal of allowance for doubtful accounts	-	10
Gain on sale of scraps	364	454
Other	159	76
Total non-operating income	774	640
Non-operating expenses		
Loss on extinguishment of stock-based compensation expenses	4,430	-
Total non-operating expenses	4,430	-
Ordinary profit	83,804	61,761
Extraordinary losses		
Loss on retirement of non-current assets	0	902
Total extraordinary losses	0	902
Profit before income taxes	83,804	60,858
Income taxes - current	30,846	33,111
Income taxes - deferred	(4,784)	(14,112)
Total income taxes	26,062	18,999
Profit	57,742	41,859

(3) Notes to Quarterly Non-consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Changes in Shareholders' Equity

A-One Seimitsu retired 700,000 treasury shares on September 29, 2023 pursuant to the resolution of the Board of Directors held on September 25, 2023. As a result, gain of treasury stock disposal, retained earnings and treasury shares decreased 143 million yen, 343 million yen and 487 million yen, respectively, during the first three months of the current fiscal year. Retained earnings and treasury shares amounted to 7,456 million yen and 204 million yen, respectively, at the end of the first quarter of the current fiscal year.

Changes in Accounting Policies

Not applicable.

Non-consolidated Statement of Income

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

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, 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 FY6/23 (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.

II. First three months of FY6/24 (Jul. 1, 2023 – Sep. 30, 2023)

1. 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	284,221	117,673	2,329	404,224	-	404,224
Inter-segment sales and transfers	-	-	-	-	-	-
Total	284,221	117,673	2,329	404,224	-	404,224
Segment profit or loss	115,588	15,826	(2,586)	128,828	(67,707)	61,120

Notes: 1. The adjustment to segment profit or loss includes selling, general and administrative expenses that are not attributable to any of the reportable segments.

2. Segment profit or loss is adjusted with operating profit shown on the quarterly non-consolidated statement of income.

2. Information related to changes in reportable segments

To appropriately assess and manage performance of each reportable segment, A-One Seimitsu has reexamined part of methods for allocating common expenses and changed the method for calculating profit or loss for each segment from the first quarter of FY6/24.

Segment information for the first three months of FY6/23 is disclosed based on the previous method for allocating common expenses as it is practically difficult to prepare the information using the method after the change.

Revenue Recognition

Information on revenue from contracts with customers broken down

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	Regrinding of 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	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

First three months of FY6/24 (Jul. 1, 2023 – Sep. 30, 2023)

(Thousands of yen)

	Reportable segment					Total
	Collet Chucks	Cutting Tools			Automatic Lathe Cams	
		Fabrication and Regrinding of Special-order Cutting Tools	Regrinding of General-purpose Cutting Tools	Subtotal		
Manufacture of tools	284,221	37,987	-	37,987	2,329	324,538
Other	-	-	79,685	79,685	-	79,685
Revenue from contracts with customers	284,221	37,987	79,685	117,673	2,329	404,224
Other revenue	-	-	-	-	-	-
External sales	284,221	37,987	79,685	117,673	2,329	404,224

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.