

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Six Months Ended May 31, 2022 (Based on Japanese GAAP)

July 13, 2022

Company name: Astena Holdings Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8095 URL <https://www.astena-hd.com>
 Representative: President Keitaro Iwaki
 Inquiries: Board Director Masaaki Atsumi TEL 03-3279-0481
 Scheduled date to file Quarterly Securities Report: July 13, 2022
 Scheduled date to commence dividend payments: August 5, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended May 31, 2022 (from December 1, 2021 to May 31, 2022)

(1) Consolidated operating results (cumulative)

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 | % |
| Six months ended May 31, 2022 | 24,934 | – | 720 | – | 835 | – | 932 | – |
| Six months ended May 31, 2021 | 36,249 | 17.6 | 1,494 | 88.4 | 1,573 | 94.0 | 975 | 80.8 |

| | Earnings per share | | Diluted earnings per share | |
|-------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Six months ended May 31, 2022 | 23.33 | | – | |
| Six months ended May 31, 2021 | 28.06 | | 27.76 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio | Net assets per share |
|-------------------------|-----------------|-----------------|--------------|----------------------|
| | Millions of yen | Millions of yen | % | Yen |
| As of May 31, 2022 | 63,871 | 27,829 | 43.5 | 693.27 |
| As of November 30, 2021 | 63,553 | 27,006 | 42.5 | 677.09 |

2. Cash dividends

| | Annual dividends per share | | | | |
|--|----------------------------|-----------------|-----------------|-----------------|-------|
| | 1st quarter-end | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |
| | Yen | | | | |
| Year ended November 30, 2021 | – | 9.00 | – | 9.00 | 18.00 |
| Year ending November 30, 2022 | – | 9.00 | | | |
| Year ending November 30, 2022 (Forecast) | | | – | 9.00 | 18.00 |

3. Forecast of consolidated financial results for the year ending November 30, 2022 (from December 1, 2021 to November 30, 2022)

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 |
| Full year | 50,000 | – | 1,000 | – | 1,000 | – | 1,100 | – | 27.59 |

4. Notes

- (1) Changes in significant subsidiaries during the six months ended May 31, 2022
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

| | | | |
|--------------------|-------------------|-------------------------|-------------------|
| As of May 31, 2022 | 40,772,366 shares | As of November 30, 2021 | 40,630,087 shares |
|--------------------|-------------------|-------------------------|-------------------|

Number of treasury shares at the end of the period

| | | | |
|--------------------|----------------|-------------------------|----------------|
| As of May 31, 2022 | 690,080 shares | As of November 30, 2021 | 753,787 shares |
|--------------------|----------------|-------------------------|----------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-------------------------------|-------------------|-------------------------------|-------------------|
| Six months ended May 31, 2022 | 39,982,434 shares | Six months ended May 31, 2021 | 34,781,914 shares |
|-------------------------------|-------------------|-------------------------------|-------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

| | As of November 30, 2021 | As of May 31, 2022 |
|--|-------------------------|--------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 10,927,061 | 10,383,126 |
| Notes and accounts receivable - trade | 13,542,403 | – |
| Notes and accounts receivable - trade, and contract assets | – | 13,275,246 |
| Electronically recorded monetary claims - operating | 3,171,123 | 3,405,011 |
| Merchandise and finished goods | 5,350,885 | 5,568,119 |
| Work in process | 2,130,371 | 1,732,423 |
| Raw materials and supplies | 1,856,915 | 2,053,025 |
| Other | 1,113,358 | 1,057,400 |
| Allowance for doubtful accounts | (35,136) | (36,183) |
| Total current assets | 38,056,982 | 37,438,170 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures | 10,445,657 | 10,161,654 |
| Accumulated depreciation | (6,361,673) | (6,318,296) |
| Buildings and structures, net | 4,083,983 | 3,843,357 |
| Machinery, equipment and vehicles | 9,434,943 | 9,665,509 |
| Accumulated depreciation | (7,829,996) | (8,044,044) |
| Machinery, equipment and vehicles, net | 1,604,946 | 1,621,465 |
| Land | 3,690,159 | 3,242,688 |
| Other | 3,752,826 | 3,777,458 |
| Accumulated depreciation | (2,622,882) | (2,676,539) |
| Other, net | 1,129,943 | 1,100,919 |
| Construction in progress | 1,440,999 | 3,004,212 |
| Total property, plant and equipment | 11,950,032 | 12,812,643 |
| Intangible assets | | |
| Goodwill | 4,394,812 | 4,663,956 |
| Technical assets | 542,329 | 525,113 |
| Customer relationship | 2,183,926 | 2,153,767 |
| Other | 1,290,775 | 1,289,597 |
| Total intangible assets | 8,411,844 | 8,632,434 |
| Investments and other assets | | |
| Investment securities | 3,612,852 | 3,619,824 |
| Retirement benefit asset | 393,341 | 351,970 |
| Other | 1,152,551 | 1,040,231 |
| Allowance for doubtful accounts | (23,954) | (23,822) |
| Total investments and other assets | 5,134,790 | 4,988,204 |
| Total non-current assets | 25,496,667 | 26,433,282 |
| Total assets | 63,553,650 | 63,871,453 |

(Thousands of yen)

| | As of November 30, 2021 | As of May 31, 2022 |
|---|-------------------------|--------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 8,851,843 | 8,656,978 |
| Electronically recorded obligations - operating | 3,265,906 | 3,447,837 |
| Short-term borrowings | 9,053,400 | 8,035,000 |
| Accrued expenses | 2,790,109 | 2,232,660 |
| Income taxes payable | 875,499 | 746,226 |
| Provision for bonuses | 794,853 | 913,024 |
| Provision for sales returns | 24,334 | – |
| Provision for product warranties | 4,914 | 3,774 |
| Other | 978,385 | 2,711,472 |
| Total current liabilities | 26,639,245 | 26,746,974 |
| Non-current liabilities | | |
| Long-term borrowings | 5,812,500 | 5,295,000 |
| Deferred tax liabilities | 936,999 | 748,160 |
| Provision for share-based compensation | 66,255 | 66,255 |
| Retirement benefit liability | 2,598,896 | 2,599,660 |
| Other | 493,480 | 585,505 |
| Total non-current liabilities | 9,908,132 | 9,294,581 |
| Total liabilities | 36,547,377 | 36,041,555 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 4,528,304 | 4,557,400 |
| Capital surplus | 6,516,607 | 6,538,828 |
| Retained earnings | 15,027,322 | 15,752,072 |
| Treasury shares | (254,106) | (234,779) |
| Total shareholders' equity | 25,818,127 | 26,613,522 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 985,867 | 906,240 |
| Deferred gains or losses on hedges | (763) | 763 |
| Foreign currency translation adjustment | 103,839 | 180,788 |
| Remeasurements of defined benefit plans | 92,615 | 86,579 |
| Total accumulated other comprehensive income | 1,181,558 | 1,174,373 |
| Non-controlling interests | 6,586 | 42,001 |
| Total net assets | 27,006,272 | 27,829,897 |
| Total liabilities and net assets | 63,553,650 | 63,871,453 |

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

| | Six months ended May 31, 2021 | Six months ended May 31, 2022 |
|---|----------------------------------|----------------------------------|
| Net sales | 36,249,985 | 24,934,991 |
| Cost of sales | 27,676,571 | 16,782,199 |
| Gross profit | 8,573,413 | 8,152,791 |
| Selling, general and administrative expenses | 7,078,582 | 7,432,742 |
| Operating profit | 1,494,831 | 720,049 |
| Non-operating income | | |
| Interest income | 1,241 | 1,215 |
| Dividend income | 25,650 | 27,451 |
| Rental income | 24,006 | 8,896 |
| Foreign exchange gains | 3,012 | 49,518 |
| Other | 88,609 | 90,448 |
| Total non-operating income | 142,521 | 177,530 |
| Non-operating expenses | | |
| Interest expenses | 28,098 | 26,931 |
| Rent costs | 15,000 | – |
| Share of loss of entities accounted for using equity method | 5,406 | 7,415 |
| Other | 14,890 | 28,217 |
| Total non-operating expenses | 63,395 | 62,563 |
| Ordinary profit | 1,573,957 | 835,016 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 1,493 | 663,894 |
| Gain on sale of investment securities | 11 | – |
| Gain on donation of a state subsidy | – | 24,900 |
| Total extraordinary income | 1,505 | 688,794 |
| Extraordinary losses | | |
| Loss on disposal of non-current assets | 21,919 | 5,435 |
| Loss on sale of non-current assets | 1,336 | – |
| Loss on transition of retirement benefit plan | – | 54,459 |
| Total extraordinary losses | 23,255 | 59,895 |
| Profit before income taxes | 1,552,207 | 1,463,916 |
| Income taxes - current | 669,917 | 800,878 |
| Income taxes - deferred | (93,527) | (264,947) |
| Total income taxes | 576,389 | 535,931 |
| Profit | 975,817 | 927,985 |
| Loss attributable to non-controlling interests | – | (4,984) |
| Profit attributable to owners of parent | 975,817 | 932,969 |

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Six months ended May 31, 2021 | Six months ended May 31, 2022 |
|--|----------------------------------|----------------------------------|
| Profit | 975,817 | 927,985 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (28,863) | (79,730) |
| Deferred gains or losses on hedges | 2,994 | 1,519 |
| Foreign currency translation adjustment | 41,734 | 76,949 |
| Remeasurements of defined benefit plans, net of tax | 7,708 | (6,035) |
| Share of other comprehensive income of entities accounted for using equity method | 211 | 112 |
| Total other comprehensive income | 23,786 | (7,185) |
| Comprehensive income | 999,603 | 920,799 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 999,603 | 925,784 |
| Comprehensive income attributable to non-controlling interests | — | (4,984) |

Consolidated statements of cash flows

(Thousands of yen)

| | Six months ended May 31, 2021 | Six months ended May 31, 2022 |
|--|----------------------------------|----------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 1,552,207 | 1,463,916 |
| Depreciation | 836,066 | 1,038,167 |
| Share-based payment expenses | 23,998 | 24,447 |
| Increase (decrease) in allowance for doubtful accounts | (3,587) | (1,046) |
| Increase (decrease) in provision for bonuses | (93,631) | 150,338 |
| Increase (decrease) in retirement benefit liability | 1,747 | (8,199) |
| Interest and dividend income | (26,892) | (28,667) |
| Interest expenses | 28,098 | 26,931 |
| Foreign exchange losses (gains) | (29,163) | (50,693) |
| Share of loss (profit) of entities accounted for using equity method | 5,406 | 7,415 |
| Loss (gain) on sale of non-current assets | (157) | (663,894) |
| Loss on retirement of non-current assets | 21,919 | 5,435 |
| Subsidy income | – | (24,900) |
| Loss (gain) on sale of investment securities | (11) | – |
| Decrease (increase) in trade receivables | 379,626 | – |
| Decrease (increase) in trade receivables and contract assets | – | 1,103,647 |
| Decrease (increase) in inventories | 102,195 | (800,689) |
| Decrease (increase) in returned assets | – | (40,633) |
| Decrease (increase) in accounts receivable - other | (29,946) | 49,881 |
| Increase (decrease) in trade payables | (750,547) | (52,026) |
| Increase (decrease) in accrued expenses | (79,514) | (594,396) |
| Increase (decrease) in accrued consumption taxes | (56,361) | (51,373) |
| Decrease (increase) in advance payments to suppliers | (6,426) | 30,660 |
| Increase (decrease) in refund liabilities | – | 63,580 |
| Decrease (increase) in distressed receivables | (0) | (500) |
| Decrease (increase) in other current assets | 305 | 23,377 |
| Increase (decrease) in other current liabilities | (110,183) | 219,509 |
| Other, net | (15,956) | 169,821 |
| Subtotal | 1,749,191 | 2,060,107 |
| Interest and dividends received | 27,288 | 28,667 |
| Interest paid | (28,305) | (27,318) |
| Income taxes paid | (514,394) | (872,143) |
| Income taxes refund | 61,246 | 139,515 |
| Payments of retirement benefits for directors (and other officers) | (1,240) | – |
| Net cash provided by (used in) operating activities | 1,293,786 | 1,328,828 |
| Cash flows from investing activities | | |
| Purchase of property, plant and equipment | (609,579) | (689,850) |
| Proceeds from sale of property, plant and equipment | 2,126 | 1,388,441 |
| Purchase of intangible assets | (80,033) | (142,398) |
| Purchase of investment securities | (75,777) | (148,130) |
| Proceeds from sale of investment securities | 92 | – |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (1,681,500) | – |
| Payments for acquisition of businesses | – | (627,015) |
| Subsidies received | – | 8,300 |
| Other, net | (79,733) | 187,766 |
| Net cash provided by (used in) investing activities | (2,524,404) | (22,888) |

(Thousands of yen)

| | Six months ended May 31, 2021 | Six months ended May 31, 2022 |
|---|----------------------------------|----------------------------------|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 2,400,000 | (1,000,000) |
| Repayments of long-term borrowings | (435,900) | (535,900) |
| Purchase of treasury shares | (34) | (9,858) |
| Proceeds from sale of treasury shares | 16,638 | 29,185 |
| Proceeds from issuance of share acquisition rights | 9,609 | – |
| Proceeds from issuance of shares resulting from exercise of share acquisition rights | 2,447,401 | – |
| Proceeds from disposal of treasury shares resulting from exercise of share acquisition rights | 529,840 | – |
| Repayments of finance lease obligations | (58,685) | (54,174) |
| Proceeds from share issuance to non-controlling shareholders | – | 40,400 |
| Dividends paid | (303,256) | (363,973) |
| Purchase of shares of subsidiaries not resulting in change in scope of consolidation | – | (6,874) |
| Net cash provided by (used in) financing activities | 4,605,614 | (1,901,195) |
| Effect of exchange rate change on cash and cash equivalents | 38,785 | 47,003 |
| Net increase (decrease) in cash and cash equivalents | 3,413,780 | (548,251) |
| Cash and cash equivalents at beginning of period | 7,447,703 | 10,807,061 |
| Increase in cash and cash equivalents resulting from inclusion of subsidiaries in consolidation | – | 2,312 |
| Cash and cash equivalents at end of period | 10,861,484 | 10,261,123 |