

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 Year Ended November 30, 2021 (Based on Japanese GAAP)

January 13, 2022

Company name: Astena Holdings Co.,Ltd.
 Stock exchange listing: Tokyo
 Stock code: 8095 URL <https://www.astena-hd.com>
 Representative: President & CEO Keitaro Iwaki
 Inquiries: Board Director Chief Financial Officer Masaaki Atsumi TEL 03-3279-0481
 Scheduled date of ordinary general meeting of shareholders: February 25, 2022
 Scheduled date to file Securities Report: February 25, 2022
 Scheduled date to commence dividend payments: February 28, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended November 30, 2021 (from December 1, 2020 to November 30, 2021)

(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	%
Year ended November 30, 2021	72,322	10.7	2,283	12.2	2,470	25.5	1,771	(10.7)
Year ended November 30, 2020	65,341	6.0	2,035	(4.1)	1,968	(15.1)	1,983	29.4

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended November 30, 2021	47.81	47.57	7.3	4.2	3.2
Year ended November 30, 2020	60.33	–	9.4	4.0	3.1

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of November 30, 2021	63,588	27,041	42.5	677.96
As of November 30, 2020	54,319	21,651	39.9	656.54

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended November 30, 2021	1,349	(4,380)	6,353	10,807
Year ended November 30, 2020	4,143	(8,254)	6,767	7,447

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended November 30, 2020	–	7.00	–	9.00	16.00	541	26.5	2.5
Year ended November 30, 2021	–	9.00	–	9.00	18.00	713	37.6	2.7
Year ending November 30, 2022 (Forecast)	–	9.00	–	9.00	18.00		47.8	

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
Six months ending May 31, 2022	25,000	—	1,000	—	1,000	—	1,000	—	25.08
Full year	50,000	—	1,700	—	1,600	—	1,500	—	37.62

4. Notes

(1) Changes in significant subsidiaries during the year ended November 30, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes

(2) 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: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of November 30, 2021	40,630,087 shares	As of November 30, 2020	34,729,839 shares
-------------------------	-------------------	-------------------------	-------------------

Number of treasury shares at the end of the period

As of November 30, 2021	753,787 shares	As of November 30, 2020	1,752,095 shares
-------------------------	----------------	-------------------------	------------------

Average number of shares during the period

Year ended November 30, 2021	37,063,254 shares	Year ended November 30, 2020	32,880,814 shares
------------------------------	-------------------	------------------------------	-------------------

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of November 30, 2020	As of November 30, 2021
Assets		
Current assets		
Cash and deposits	7,567,703	10,927,061
Notes and accounts receivable - trade	12,528,667	13,542,403
Electronically recorded monetary claims - operating	2,497,229	3,171,123
Merchandise and finished goods	4,604,066	5,350,885
Work in process	2,113,904	2,130,371
Raw materials and supplies	1,651,465	1,856,915
Accounts receivable - other	569,257	692,012
Other	383,946	471,345
Allowance for doubtful accounts	(39,932)	(35,136)
Total current assets	31,876,308	38,106,982
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,762,155	10,445,657
Accumulated depreciation	(6,317,447)	(6,361,673)
Buildings and structures, net	3,444,708	4,083,983
Machinery, equipment and vehicles	8,876,793	9,434,943
Accumulated depreciation	(7,526,877)	(7,829,996)
Machinery, equipment and vehicles, net	1,349,916	1,604,946
Tools, furniture and fixtures	2,838,850	3,156,172
Accumulated depreciation	(2,138,487)	(2,288,333)
Tools, furniture and fixtures, net	700,363	867,838
Land	3,923,065	3,690,159
Leased assets	549,471	596,653
Accumulated depreciation	(264,317)	(334,548)
Leased assets, net	285,154	262,105
Construction in progress	432,833	1,440,999
Total property, plant and equipment	10,136,041	11,950,032
Intangible assets		
Software	734,465	938,417
Goodwill	3,967,287	4,394,812
Technical assets	385,875	542,329
Customer relationship	2,152,744	2,183,926
Other	227,455	352,358
Total intangible assets	7,467,828	8,411,844
Investments and other assets		
Investment securities	3,693,731	3,612,852
Retirement benefit asset	55,062	393,341
Deferred tax assets	448,319	408,226
Long-term deposits	185,863	175,167
Other	480,317	554,157
Allowance for doubtful accounts	(24,357)	(23,954)
Total investments and other assets	4,838,936	5,119,790
Total non-current assets	22,442,805	25,481,667
Total assets	54,319,113	63,588,650

(Thousands of yen)

	As of November 30, 2020	As of November 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	8,180,533	8,851,843
Electronically recorded obligations - operating	3,546,770	3,265,906
Electronically recorded obligations - non-operating	22,267	23,077
Notes payable - facilities	27,596	81,045
Short-term borrowings	5,971,800	9,053,400
Accounts payable - other	408,153	300,021
Accrued expenses	2,693,737	2,790,109
Income taxes payable	495,139	875,499
Accrued consumption taxes	237,264	272,351
Provision for bonuses	825,803	794,853
Provision for sales returns	9,400	24,334
Provision for product warranties	3,119	4,914
Other	504,608	301,889
Total current liabilities	22,926,193	26,639,245
Non-current liabilities		
Long-term borrowings	5,965,900	5,812,500
Lease obligations	206,463	186,697
Deferred tax liabilities	815,148	936,999
Provision for share-based compensation	66,255	66,255
Retirement benefit liability	2,382,479	2,598,896
Other	305,421	306,783
Total non-current liabilities	9,741,667	9,908,132
Total liabilities	32,667,860	36,547,377
Net assets		
Shareholders' equity		
Share capital	2,687,078	4,528,304
Capital surplus	4,340,560	6,516,607
Retained earnings	13,942,575	15,062,322
Treasury shares	(483,569)	(254,106)
Total shareholders' equity	20,486,645	25,853,127
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,082,259	985,867
Deferred gains or losses on hedges	261	(763)
Foreign currency translation adjustment	73,244	103,839
Remeasurements of defined benefit plans	8,841	92,615
Total accumulated other comprehensive income	1,164,607	1,181,558
Non-controlling interests	–	6,586
Total net assets	21,651,252	27,041,272
Total liabilities and net assets	54,319,113	63,588,650

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended November 30, 2020	Fiscal year ended November 30, 2021
Net sales	65,341,459	72,322,233
Cost of sales	50,859,174	55,719,570
Gross profit	14,482,284	16,602,662
Selling, general and administrative expenses		
Packing and transportation costs	1,500,606	1,714,463
Advertising expenses	853,074	745,429
Provision of allowance for doubtful accounts	10,601	12,001
Bad debt expenses	–	912
Remuneration, salaries and allowances	4,117,128	4,676,871
Retirement benefit expenses	253,831	298,893
Provision for bonuses	135,297	137,370
Welfare expenses	749,733	905,885
Travel and transportation expenses	230,915	187,634
Depreciation	634,165	874,400
Rent expenses	218,637	266,755
Other	3,743,119	4,498,981
Total selling, general and administrative expenses	12,447,112	14,319,599
Operating profit	2,035,172	2,283,063
Non-operating income		
Interest income	1,089	2,516
Dividend income	58,933	65,106
Rental income	47,431	32,353
Administrative service fee income	15,393	13,702
Share of profit of entities accounted for using equity method	430	–
Reversal of allowance for doubtful accounts	–	1,329
Surrender value of insurance policies	40,185	27,861
Other	105,261	171,518
Total non-operating income	268,724	314,387
Non-operating expenses		
Interest expenses	47,266	59,811
Foreign exchange losses	28,132	7,688
Commission for syndicated loans	104,270	4,066
Rent costs	28,450	15,000
Share of loss of entities accounted for using equity method	–	5,142
Taxes and dues	37,702	–
loss due to insurance contract change	34,787	–
Other	54,860	34,862
Total non-operating expenses	335,469	126,573
Ordinary profit	1,968,427	2,470,877

(Thousands of yen)

	Fiscal year ended November 30, 2020	Fiscal year ended November 30, 2021
Extraordinary income		
Gain on sale of non-current assets	8,584	640,904
Gain on sale of investment securities	17,412	81,232
Gain on bargain purchase	620,868	–
Total extraordinary income	646,865	722,137
Extraordinary losses		
Loss on sale of non-current assets	868	1,336
Loss on disposal of non-current assets	18,924	62,405
Loss on sale of golf club membership	149	–
Impairment losses	5,960	–
Total extraordinary losses	25,902	63,742
Profit before income taxes	2,589,390	3,129,272
Income taxes - current	877,199	1,297,478
Income taxes - deferred	(273,143)	60,878
Total income taxes	604,055	1,358,356
Profit	1,985,334	1,770,915
Profit attributable to non-controlling interests	1,552	(1,047)
Profit attributable to owners of parent	1,983,782	1,771,962

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended November 30, 2020	Fiscal year ended November 30, 2021
Profit	1,985,334	1,770,915
Other comprehensive income		
Valuation difference on available-for-sale securities	(331,716)	(95,967)
Deferred gains or losses on hedges	(2,886)	(1,016)
Foreign currency translation adjustment	(12,200)	30,595
Remeasurements of defined benefit plans, net of tax	(45,807)	83,773
Share of other comprehensive income of entities accounted for using equity method	(198)	(432)
Total other comprehensive income	(392,809)	16,951
Comprehensive income	1,592,525	1,787,866
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,591,423	1,788,914
Comprehensive income attributable to non-controlling interests	1,101	(1,047)

Consolidated statements of changes in equity

Fiscal year ended November 30, 2020

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,663,679	4,308,544	12,431,620	(537,486)	18,866,358
Changes during period					
Issuance of new shares	23,398	23,398			46,796
Dividends of surplus			(472,826)		(472,826)
Profit attributable to owners of parent			1,983,782		1,983,782
Purchase of treasury shares				(88)	(88)
Disposal of treasury shares				54,005	54,005
Change in ownership interest of parent due to transactions with non-controlling interests		8,617			8,617
Net changes in items other than shareholders' equity					
Total changes during period	23,398	32,016	1,510,955	53,917	1,620,287
Balance at end of period	2,687,078	4,340,560	13,942,575	(483,569)	20,486,645

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,414,174	3,147	84,993	54,649	1,556,965	8,495	20,431,819
Changes during period							
Issuance of new shares					–		46,796
Dividends of surplus					–		(472,826)
Profit attributable to owners of parent					–		1,983,782
Purchase of treasury shares					–		(88)
Disposal of treasury shares					–		54,005
Change in ownership interest of parent due to transactions with non-controlling interests					–		8,617
Net changes in items other than shareholders' equity	(331,915)	(2,886)	(11,748)	(45,807)	(392,358)	(8,495)	(400,854)
Total changes during period	(331,915)	(2,886)	(11,748)	(45,807)	(392,358)	(8,495)	1,219,433
Balance at end of period	1,082,259	261	73,244	8,841	1,164,607	–	21,651,252

Fiscal year ended November 30, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,687,078	4,340,560	13,942,575	(483,569)	20,486,645
Changes during period					
Issuance of new shares	1,841,226	1,841,226			3,682,452
Dividends of surplus			(652,216)		(652,216)
Profit attributable to owners of parent			1,771,962		1,771,962
Purchase of treasury shares				(4,406)	(4,406)
Disposal of treasury shares		333,375		233,869	567,245
Change in ownership interest of parent due to transactions with non-controlling interests		1,444			1,444
Net changes in items other than shareholders' equity					
Total changes during period	1,841,226	2,176,046	1,119,746	229,462	5,366,481
Balance at end of period	4,528,304	6,516,607	15,062,322	(254,106)	25,853,127

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	1,082,259	261	73,244	8,841	1,164,607	–	21,651,252
Changes during period							
Issuance of new shares					–		3,682,452
Dividends of surplus					–		(652,216)
Profit attributable to owners of parent					–		1,771,962
Purchase of treasury shares					–		(4,406)
Disposal of treasury shares					–		567,245
Change in ownership interest of parent due to transactions with non-controlling interests					–		1,444
Net changes in items other than shareholders' equity	(96,391)	(1,025)	30,595	83,773	16,951	6,586	23,537
Total changes during period	(96,391)	(1,025)	30,595	83,773	16,951	6,586	5,390,019
Balance at end of period	985,867	(763)	103,839	92,615	1,181,558	6,586	27,041,272

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended November 30, 2020	Fiscal year ended November 30, 2021
Cash flows from operating activities		
Profit before income taxes	2,589,390	3,129,272
Depreciation	1,369,927	1,830,238
Share-based payment expenses	48,397	43,796
Increase (decrease) in allowance for doubtful accounts	(12,291)	(6,527)
Increase (decrease) in provision for bonuses	254,739	(39,708)
Increase (decrease) in provision for product warranties	(2,001)	1,795
increase (decrease) in assets and liabilities related to retirement benefits	48,761	(7,322)
Interest and dividend income	(60,022)	(67,622)
Interest expenses	47,266	59,811
Share of loss (profit) of entities accounted for using equity method	(430)	5,142
Gain on bargain purchase	(620,868)	–
Impairment losses	5,960	–
Foreign exchange losses (gains)	11,599	(26,527)
Loss (gain) on sale of non-current assets	(7,715)	(639,568)
Loss on retirement of non-current assets	18,924	62,405
Loss (gain) on sale of investment securities	(17,412)	(81,232)
Loss (gain) on sale of golf club membership	149	–
Decrease (increase) in trade receivables	3,697,745	(868,688)
Decrease (increase) in inventories	(380,774)	(574,626)
Increase (decrease) in trade payables	(1,988,708)	(172,806)
Decrease (increase) in accounts receivable - other	148,492	(191,430)
Increase (decrease) in accrued expenses	174,047	53,200
Increase (decrease) in accrued consumption taxes	38,130	25,955
Decrease (increase) in advance payments to suppliers	17,664	32,316
Other, net	(64,683)	(180,642)
Subtotal	5,316,287	2,387,233
Interest and dividends received	60,682	68,018
Interest paid	(41,068)	(61,394)
Payments of retirement benefits for directors (and other officers)	(683)	(98,440)
Income taxes paid	(1,194,824)	(1,018,247)
Income taxes refund	3,272	72,063
Net cash provided by (used in) operating activities	4,143,666	1,349,233
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,308,467)	(2,935,251)
Purchase of intangible assets	(444,867)	(558,975)
Proceeds from sale of property, plant and equipment	7,877	930,311
Purchase of investment securities	(334,557)	(80,925)
Proceeds from sale of investment securities	48,753	83,241
Payments for acquisition of businesses	–	(70,000)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(6,200,187)	(1,681,500)
Proceeds from maturity of insurance funds	32,608	18,451
Other, net	(55,415)	(85,354)
Net cash provided by (used in) investing activities	(8,254,255)	(4,380,002)

(Thousands of yen)

	Fiscal year ended November 30, 2020	Fiscal year ended November 30, 2021
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	1,900,000	2,900,000
Proceeds from long-term borrowings	6,350,000	1,000,000
Repayments of long-term borrowings	(914,300)	(971,800)
Repayments of lease obligations	(133,402)	(120,420)
Dividends paid	(470,558)	(650,692)
Purchase of treasury shares	(88)	(4,406)
Proceeds from sale of treasury shares	36,929	36,118
Proceeds from issuance of share acquisition rights	–	9,609
Proceeds from issuance of shares resulting from exercise of share acquisition rights	–	3,624,932
Proceeds from disposal of treasury shares resulting from exercise of share acquisition rights	–	529,840
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(979)	–
Net cash provided by (used in) financing activities	6,767,601	6,353,182
Effect of exchange rate change on cash and cash equivalents	(5,300)	36,945
Net increase (decrease) in cash and cash equivalents	2,651,711	3,359,358
Cash and cash equivalents at beginning of period	4,795,991	7,447,703
Cash and cash equivalents at end of period	7,447,703	10,807,061