



MEMBERSHIP
May 15, 2024

Translation

Financial Results for the First Six Months of the Fiscal Year Ending September 30, 2024 <under Japanese GAAP> (Non-Consolidated)

Company name: ABIST Co., Ltd. Listing: Tokyo Stock Exchange
 Stock code: 6087 URL: https://www.abist.co.jp
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 Scheduled date to submit Quarterly Securities Report: May 15, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results presentation meeting: Yes

(Rounded down to the nearest million yen)

1. Non-Consolidated Performance for the First Six Months of the Fiscal Year Ending September 30, 2024 (from October 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First six months ended								
March 31, 2024	4,900	4.3	514	29.4	515	26.9	302	(36.6)
March 31, 2023	4,697	–	397	–	406	–	476	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First six months ended		
March 31, 2024	75.94	–
March 31, 2023	119.79	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of			
March 31, 2024	9,047	6,847	75.7
September 30, 2023	9,251	6,708	72.5

Reference: Equity As of March 31, 2024: 6,847 million yen
 As of September 30, 2023: 6,708 million yen

2. Cash Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2023	–	0.00	–	102.00	102.00
Fiscal year ending September 30, 2024	–	0.00			
Fiscal year ending September 30, 2024 (Forecast)			–	102.00	102.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

3. Non-Consolidated Earnings Forecasts for the Fiscal Year Ending September 30, 2024 (from October 1, 2023 to September 30, 2024)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	10,100	6.2	710	(1.1)	710	(2.5)	590	(17.7)	148.26

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

* Notes

- (1) Application of special accounting in preparing quarterly financial statements: None
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
- | | |
|--|------|
| (a) Changes in accounting policies due to revisions to accounting standards and other regulations: | None |
| (b) Changes in accounting principles other than (a): | None |
| (c) Changes in accounting estimates: | None |
| (d) Restatement of prior period financial statements after error corrections: | None |
- (3) Number of issued shares (common shares)
- | | |
|---|------------------|
| (a) Total number of issued shares at the end of the period (including treasury shares) | |
| As of March 31, 2024 | 3,980,000 shares |
| As of September 30, 2023 | 3,980,000 shares |
| (b) Number of treasury shares at the end of the period | |
| As of March 31, 2024 | 522 shares |
| As of September 30, 2023 | 418 shares |
| (c) Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year) | |
| First six months ended March 31, 2024 | 3,979,537 shares |
| First six months ended March 31, 2023 | 3,979,623 shares |

* Quarterly results are not subject to quarterly review by a certified public accountant or the auditing firm.

* Cautionary statement regarding forecasts of operating results and special notes

Financial results forecasts and other forward-looking statements contained in this material are based on information available to the Company and certain assumptions that are deemed to be reasonable. Therefore, actual results may differ significantly from these forward-looking statements due to various factors. For a discussion of the assumptions and other factors considered by the Company in preparing projections, please refer to page 3 of the attachments, "1. Qualitative Information for Financial Results for the First Six Months, (3) Explanation regarding earnings forecasts and other forward-looking statements."

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1. Qualitative Information for Financial Results for the First Six Months

(1) Explanation regarding operating results

During the first six months of the fiscal year ending September 30, 2024, the global economy showed signs of a recovery. However, the outlook continues to require attention due to geopolitical risks including the situations in Ukraine and the Middle East, concerns about the slowdown of the Chinese economy, and changes in monetary policies in Europe and the United States, among other factors.

The Japanese economy was on a path toward a moderate recovery, although there has been a temporary standstill lately. Looking ahead, the moderate recovery is expected to continue particularly in consumer spending due in part to the effects of measures taken along with the improvement of employment and income conditions. However, in consideration of the risk of downward pressure being placed on the Japanese economy by the decline of overseas economies that could be attributable to concerns about the outlook for the Chinese economy, geopolitical risks and other factors, careful attention should be paid to the negative effects of rising prices, the Noto Peninsula Earthquake and the fluctuation of the financial and capital markets.

In the automobile industry and auto parts industry, where the Company operates its main business, the global trend towards decarbonization is continuing, and research and development are expected to accelerate to develop next-generation technologies. Since the Group's mainstay Design and Development Outsourcing business is an upstream process in production, automakers' suspension of plant operation or reduced production is unlikely to have a direct impact, such as contract cancellations. On the other hand, the performance of the business may be impacted in instances such as a more severe slowdown of overseas economies. Therefore, the observation of industry trends should continue. In addition, average wages in Japan are rising partly due to the government and Keidanren calling for wage increases as consumer prices continue to rise.

In this business environment, the Company discontinued the 3D Printing business and promoted new businesses with the aim of becoming a digital solution company that proposes solutions with greater added value. In the Design and Development Outsourcing business, unit prices improved, and expenses were allocated efficiently. Consequently, in the first six months year under review, the Company recorded net sales of 4,900 million yen (up 4.3% year on year), operating profit of 514 million yen (up 29.4%), ordinary profit of 515 million yen (up 26.9%) and profit of 302 million yen (down 36.6%).

The results in each segment are as follows.

(a) Design and Development Outsourcing business

In this segment, net sales stood at 4,806 million yen (up 4.2% year on year), and segment profit (operating profit) came to 944 million yen (up 9.9%). The segment profit (operating profit) margin was 19.7%. Unit prices improved more than planned, which contributed to increases in net sales and profit.

(b) 3D Printing business

In this segment, net sales came to 37 million yen (down 10.7% year on year) while segment loss (operating loss) stood at 9 million yen (as compared to an operating loss of 14 million yen in the same period of the previous fiscal year), partly because the Company has refrained from receiving orders to move forward with procedures for the closure of the business. The Company discontinued this business on March 31, 2024.

(c) Beauty and Health Products Manufacture and Sale business

In this segment, the Company absorbed ABIST H&F Co., Ltd., its subsidiary, on February 1, 2023. Net sales increased to 26 million yen (up 132.5% year on year), but the Company posted a segment loss (operating loss) of 9 million yen (as compared to an operating loss of 2 million yen in the same period of the previous fiscal year).

(d) Real Estate Leasing business

In this segment, net sales remained flat from a year ago at 30 million yen, and segment profit (operating profit) came to 13 million yen (up 16.0% year on year). The segment profit (operating profit) margin was 43.1%. The result reflected continuing high occupancy rates at leased properties coupled with expenses being controlled, including utilities expenses.

(2) Explanation regarding financial position

Total assets at the end of the first six months under review stood at 9,047 million yen, down 204 million yen from the end of the previous fiscal year. This is attributable mainly to a decrease in cash and deposits.

Total liabilities stood at 2,199 million yen, a decrease of 343 million yen from the end of the previous fiscal year. This chiefly reflected a decrease in provision for retirement benefits for directors.

Net assets totaled 6,847 million yen, an increase of 139 million yen from the end of the previous fiscal year, mainly reflecting an increase in the valuation difference on available-for-sale securities.

(3) Explanation regarding earnings forecasts and other forward-looking statements

No change has been made to the forecasts for financial results announced on November 10, 2023. If any revision to the financial forecasts becomes necessary in the future, the Company will promptly disclose it.

2. Financial Statements and Primary Notes

(1) Non-consolidated quarterly balance sheets

(Thousand yen)

	As of September 30, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	4,310,800	4,085,254
Accounts receivable – trade	1,387,266	1,381,627
Merchandise and finished goods	121	89
Work in process	36,428	60,074
Raw materials and supplies	22,780	9,825
Prepaid expenses	116,513	97,954
Other	28,964	30,520
Total current assets	5,902,876	5,665,347
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	972,217	947,802
Land	993,400	993,400
Other, net	64,971	56,106
Total property, plant and equipment	2,030,589	1,997,309
Intangible assets	133,937	106,605
Investments and other assets	1,184,568	1,278,244
Total non-current assets	3,349,095	3,382,159
Total assets	9,251,971	9,047,506
Liabilities		
Current liabilities		
Accounts payable - trade	3,819	633
Short-term borrowings	50,000	50,000
Accounts payable - other	689,263	669,923
Accrued consumption taxes	144,524	147,219
Deposits received	69,996	68,388
Income taxes payable	10,567	52,274
Provision for bonuses	360,174	362,131
Provision for bonuses for directors	15,858	7,350
Provision for shareholder benefit program	42,530	41,817
Other	9,083	12,284
Total current liabilities	1,395,816	1,412,021
Non-current liabilities		
Provision for retirement benefits	595,240	611,846
Provision for retirement benefits for directors	486,092	3,004
Long-term accounts payable - other	15,516	122,803
Other	50,427	49,933
Total non-current liabilities	1,147,276	787,587
Total liabilities	2,543,093	2,199,608

(Thousand yen)

	As of September 30, 2023	As of March 31, 2024
Net assets		
Shareholders' equity		
Share capital	1,026,650	1,026,650
Capital surplus	1,016,650	1,016,650
Retained earnings	4,411,001	4,307,294
Treasury shares	(1,315)	(1,639)
Total shareholders' equity	6,452,985	6,348,955
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	255,892	498,942
Total of valuation and translation adjustments, etc.	255,892	498,942
Total net assets	6,708,878	6,847,897
Total liabilities and net assets	9,251,971	9,047,506

(2) Non-consolidated quarterly statements of income

First six-month period

(Thousand yen)

	First six months ended March 31, 2023	First six months ended March 31, 2024
Net sales	4,697,085	4,900,874
Cost of sales	3,467,870	3,516,400
Gross profit	1,229,214	1,384,473
Selling, general and administrative expenses	831,402	869,602
Operating profit	397,812	514,871
Non-operating income		
Interest income	236	150
Commission income	310	322
Subsidy income	1,301	772
Compensation income	6,992	–
Other	–	1
Total non-operating income	8,841	1,246
Non-operating expenses		
Interest expenses	141	150
Total non-operating expenses	141	150
Ordinary profit	406,511	515,967
Extraordinary income		
Gain on sale of non-current assets	16,346	–
Total extraordinary income	16,346	–
Extraordinary losses		
Loss on retirement of non-current assets	–	10,668
Provision for retirement benefits for directors	–	3,150
Loss on withdrawal from business	–	23,176
Loss on extinguishment of tie-in shares	11,008	–
Total extraordinary losses	11,008	36,995
Profit before income taxes	411,849	478,971
Income taxes - current	94,531	26,327
Income taxes - deferred	(159,400)	150,433
Total income taxes	(64,868)	176,761
Profit	476,718	302,210

(3) Non-consolidated quarterly statement of cash flows

(Thousand yen)

	First six months ended March 31, 2023	First six months ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	411,849	478,971
Depreciation	65,189	70,690
Increase (decrease) in provision for bonuses	10,458	1,957
Increase (decrease) in provision for shareholder benefit program	14,681	(713)
Increase (decrease) in provision for retirement benefits	32,823	16,605
Increase (decrease) in provision for retirement benefits for directors	19,177	(483,087)
Increase (decrease) in provision for bonuses for directors	–	(8,508)
Interest and dividend income	(236)	(150)
Subsidy income	(1,301)	(772)
Interest expenses	141	150
Loss on withdrawal from business	–	23,176
Loss (gain) on sale and retirement of non-current assets	(16,346)	10,668
Loss (gain) on extinguishment of tie-in shares	11,008	–
Decrease (increase) in trade receivables	34,927	5,638
Decrease (increase) in inventories	(16,264)	(24,736)
Decrease (increase) in prepaid expenses	29,243	15,767
Increase (decrease) in accounts payable - other	3,163	815
Increase (decrease) in accrued consumption taxes	(16,893)	1,203
Increase (decrease) in long-term accounts payable - other	–	107,287
Other	4,997	(3,116)
Subtotal	586,620	211,848
Interest and dividends received	236	150
Interest paid	(147)	(150)
Subsidies received	1,301	772
Income taxes refund (paid)	(153,907)	15,013
Net cash provided by (used in) operating activities	434,103	227,633
Cash flows from investing activities		
Purchase of property, plant and equipment	(11,523)	(25,158)
Purchase of intangible assets	(929)	(20,476)
Loan advances	–	(600)
Proceeds from collection of loans receivable	3,031	162
Payments of leasehold and guarantee deposits	(1,062)	(1,841)
Proceeds from refund of leasehold and guarantee deposits	5,210	648
Other	–	100
Net cash provided by (used in) investing activities	(5,272)	(47,165)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	200,000	–
Dividends paid	(405,674)	(405,096)
Other	(594)	(917)
Net cash provided by (used in) financing activities	(206,268)	(406,014)
Net increase (decrease) in cash and cash equivalents	222,563	(225,545)
Cash and cash equivalents at beginning of period	3,824,758	4,310,800
Increase in cash and cash equivalents resulting from merger	24,471	–
Cash and cash equivalents at end of period	4,071,792	4,085,254

(4) Notes to non-consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of material changes in shareholders' equity)

Not applicable.

(Segment information)

[Segment information]

I. First six months ended March 31, 2023

1. Information regarding amounts of net sales and profit/loss by reportable segment

(Thousand yen)

	Reportable segments				Annual	Adjustment (Note 1)	Amount recorded in the non- consolidated quarterly statement of income
	Design and Development Outsourcing business	3D Printing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business			
Net sales							
Sales to outside customers	4,612,881	42,440	11,292	30,471	4,697,085	–	4,697,085
Inter-segment sales and transfers	–	–	33	–	33	(33)	–
Total	4,612,881	42,440	11,325	30,471	4,697,118	(33)	4,697,085
Segment profit (loss)	859,786	(14,869)	(2,335)	11,326	853,908	(456,095)	397,812

(Note 1) The adjustment consists of the following items.

The adjustment to segment profit (loss), (456,095 thousand yen), is corporate costs that are not allocated to any of the reportable segments.

II. First six months ended March 31, 2024

1. Information regarding amounts of net sales and profit/loss by reportable segment

(Thousand yen)

	Reportable segments				Annual	Adjustment (Note 1)	Amount recorded in the non- consolidated quarterly statement of income
	Design and Development Outsourcing business	3D Printing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business			
Net sales							
Sales to outside customers	4,806,159	37,920	26,323	30,471	4,900,874	–	4,900,874
Inter-segment sales and transfers	–	–	11	–	11	(11)	–
Total	4,806,159	37,920	26,334	30,471	4,900,885	(11)	4,900,874
Segment profit (loss)	944,803	(9,200)	(9,398)	13,140	939,345	(424,473)	514,871

(Note 1) The adjustment consists of the following items.

The adjustment to segment profit (loss), (424,473 thousand yen), is corporate costs that are not allocated to any of the reportable segments.

(Matters concerning revenue recognition)

Information on the breakdown of revenue from contracts with customers

First six months ended March 31, 2023

(Thousand yen)

	Reportable segments				Annual
	Design and Development Outsourcing business	3D Printing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business	
Contract for work	2,627,294	–	–	–	2,627,294
Dispatch contract	1,957,406	–	–	–	1,957,406
Others	28,179	42,440	11,292	–	81,912
Revenue from contracts with customers	4,612,881	42,440	11,292	–	4,666,613
Other revenue	–	–	–	30,471	30,471
Sales to outside customers	4,612,881	42,440	11,292	30,471	4,697,085

(Note) Other revenue includes lease revenue under the Accounting Standard for Lease Transactions (ASBJ Statement No.13, March 30, 2007).

First six months ended March 31, 2024

(Thousand yen)

	Reportable segments				Annual
	Design and Development Outsourcing business	3D Printing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business	
Contract for work	2,677,261	–	–	–	2,677,261
Dispatch contract	2,116,953	–	–	–	2,116,953
Others	11,945	37,920	26,323	–	76,188
Revenue from contracts with customers	4,806,159	37,920	26,323	–	4,870,403
Other revenue	–	–	–	30,471	30,471
Sales to outside customers	4,806,159	37,920	26,323	30,471	4,900,874

(Note) Other revenue includes lease revenue under the Accounting Standard for Lease Transactions (ASBJ Statement No.13, March 30, 2007).

(Significant subsequent events)

Not applicable.