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Summary of Consolidated Financial Results for the Nine months ended May 31,2024 (Based on Japanese GAAP)

July 12,2024

Company name: Asterisk Inc.
Listing: Tokyo
Securities code: 6522
URL: <https://www.asx.co.jp/>
Representative: President Noriyuki Suzuki
Inquiries: Management Director Kazuya Yamamoto
Telephone: +81-050-5838-7864
Scheduled date to file quarterly securities report: July 12,2024
Scheduled date to commence dividend payments: —
Preparation of supplementary material on quarterly financial results: Yes
Holding of quarterly financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the Nine months ended May 31,2024 (from September 1,2023 to May 31,2024)

(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	%
Nine months ended								
May 31,2024	1,107	-9.8	-238	—	-192	—	-371	—
May 31,2023	1,227	-32.6	-153	—	-126	—	-143	—

Note: Comprehensive income
Nine months ended May 31,2024: ¥ -369 Million [-%]
Nine months ended May 31,2023: ¥ -142 Million [-%]

	Earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
May 31,2024	-52.32	—
May 31,2023	-20.33	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
May 31,2024	2,664	1,565	58.8
August 31,2023	2,719	1,934	71.2

Reference: Equity
As of May 31,2024: ¥ 1,565 Million
As of August 31,2023: ¥ 1,934 Million

2. Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Fiscal year ended	Yen	Yen	Yen	Yen	Yen
August 31,2023	—	0.00	—	0.00	0.00
August 31,2024	—	—	—		
Fiscal year ending August 31,2024 (Forecast)		0.00	—	0.00	0.00

3. Forecast of consolidated financial results for the year ending August 31,2024 (from September 1,2023 to August 31,2024)

(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	1,813	3.1	-389	—	-366	—	-481	—	-67.93

4. Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None

(3) Number of issued shares (common shares)

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

May 31,2024	7,109,400 shares
As of August 31,2023	7,109,400 shares

(ii) Number of treasury shares at the end of the period

May 31,2024	70 shares
As of August 31,2023	— shares

(iii) Average number of shares outstanding during the period

Nine months ended May 31,2024	7,109,386 shares
Nine months ended May 31,2023	7,077,400 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters
(Caution regarding forward-looking statements, etc.)

The forward-looking statements in this material, such as forecasts of business performance, are based on the information currently available to us and certain assumptions that we judge to be reasonable, and we promise that we will achieve them. not. In addition, actual results may differ significantly due to various factors.

Quarterly consolidated financial statements and principal notes
Quarterly consolidated balance sheet

(Thousands of yen)

	As of August 31,2023	As of May 31,2024
Assets		
Current assets		
Cash and deposits	251,715	392,172
Accounts receivable-trade, and contract assets	267,541	367,718
Merchandise and finished goods	646,343	658,367
Raw materials and supplies	33,332	47,547
Income taxes refund receivable	67,441	—
Other	121,882	76,301
Allowance for doubtful accounts	△3,222	△2,979
Total current assets	1,385,034	1,539,127
Non-current assets		
Property, plant and equipment		
Buildings	484,953	484,953
Accumulated depreciation	△6,466	△13,740
Buildings, net	478,487	471,213
Facilities attached to buildings	166,821	166,821
Accumulated depreciation	△8,000	△17,382
Facilities attached to buildings, net	158,820	149,438
Structures	18,101	18,651
Accumulated depreciation	△609	△1,433
Structures, net	17,492	17,218
Vehicles	641	641
Accumulated depreciation	△641	△641
Vehicles, net	0	0
Tools, furniture and fixtures	187,550	202,552
Accumulated depreciation	△143,449	△169,347
Tools, furniture and fixtures, net	44,100	33,205
Land	292,589	292,589
Total property, plant and equipment	991,490	963,665
Intangible assets	36,649	30,275
Investments and other assets		
Investment securities	205,250	101,250
Other	101,228	30,282
Allowance for doubtful accounts	△355	—
Total investments and other assets	306,123	131,532
Total non-current assets	1,334,263	1,125,473
Total assets	2,719,298	2,664,601

(Thousands of yen)

	As of August 31,2023	As of May 31,2024
Liabilities		
Current liabilities		
Accounts payable - trade	129,468	121,845
Short-term borrowings	460,000	665,000
Current portion of long-term borrowings	—	19,992
Income taxes payable	21,395	36,759
Provision for bonuses	53,036	54,862
Provision for product warranties	9,036	4,699
Provision for loss on orders received	1,765	9,621
Other	108,047	109,338
Total current liabilities	782,750	1,022,118
Non-current liabilities		
Long-term borrowings	—	75,010
Asset retirement obligations	1,643	1,643
Total non-current liabilities	1,643	76,653
Total liabilities	784,393	1,098,771
Net assets		
Shareholders' equity		
Share capital	804,937	804,937
Capital surplus	794,937	794,937
Retained earnings	331,562	△40,375
Treasury shares	—	△44
Total shareholders' equity	1,931,437	1,559,454
Accumulated other comprehensive income		
Foreign currency translation adjustment	3,467	6,374
Total accumulated other comprehensive income	3,467	6,374
Total net assets	1,934,904	1,565,829
Total liabilities and net assets	2,719,298	2,664,601

Quarterly consolidated statement of income and quarterly consolidated statement of comprehensive income
Quarterly consolidated statement of income
Third quarterly consolidated cumulative accounting period

(Thousands of yen)

	Nine months ended May 31,2023	Nine months ended May 31,2024
Net sales	1,227,646	1,107,727
Cost of sales	824,176	791,098
Gross profit	403,469	316,629
Selling, general and administrative expenses	556,544	555,589
Operating loss	△153,074	△238,960
Non-operating income		
Interest and dividend income	181	87
Reversal of allowance for doubtful accounts	—	1,097
Foreign exchange gains	25,826	44,407
Miscellaneous income	1,075	2,948
Total non-operating income	27,083	48,541
Non-operating expenses		
Interest expenses	514	2,385
Provision of allowance for doubtful accounts	109	—
Miscellaneous expenses	—	188
Total non-operating expenses	623	2,573
Ordinary loss	△126,615	△192,991
Extraordinary income		
Subsidy income	2,061	37
Insurance claim income	—	30
Total extraordinary income	2,061	67
Extraordinary losses		
Loss on retirement of non-current assets	66	—
Loss on valuation of investment securities	—	103,999
Total extraordinary losses	66	103,999
Loss before income taxes	△124,620	△296,923
Income taxes - current	6,895	5,756
Income taxes - deferred	12,342	69,257
Total income taxes	19,238	75,013
Loss	△143,858	△371,937
Loss attributable to owners of parent	△143,858	△371,937

Quarterly consolidated statement of comprehensive income
 Third quarterly consolidated cumulative accounting period

(Thousands of yen)

	Nine months ended May 31,2023	Nine months ended May 31,2024
Loss	△143,858	△371,937
Other comprehensive income		
Foreign currency translation adjustment	1,324	2,907
Total other comprehensive income	1,324	2,907
Comprehensive income	△142,534	△369,030
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△142,534	△369,030
Comprehensive income attributable to non-controlling interests	—	—