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Summary of Consolidated Financial Results for the Fiscal Year Ended August 31,2024 (Based on Japanese GAAP)

October 15,2024

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 of annual general meeting of shareholders: November 25,2024
 Scheduled date to commence dividend payments: —
 Scheduled date to file annual securities report: November 25,2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for Institutional investors, individual investors, analysts)

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

1. Consolidated financial results for the fiscal year ended August 31,2024 (from September 1,2023 to August 31,2024)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
August 31,2024	1,578	-10.3	-224	—	-176	—	-389	—
August 31,2023	1,759	-26.9	-192	—	-179	—	-170	—

Note: Comprehensive income Fiscal year ended August 31,2024: ¥ -397 Million [—%]
 Fiscal year ended August 31,2023: ¥ -168 Million [—%]

Fiscal year ended	Earnings per share	Diluted earnings per share	Return on equity	Ordinary profit / total assets	Operating profit / net sales
	Yen	Yen	%	%	%
August 31,2024	-54.81	—	-22.4	-6.6	-14.2
August 31,2023	-24.01	—	-8.5	-6.9	-10.9

Reference: Equity in net income of affiliates Fiscal year ended August 31,2024: ¥ — million

Fiscal year ended August 31,2023: ¥ — million

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
August 31,2024	2,657	1,539	57.9	216.40
August 31,2023	2,719	1,934	71.2	272.16

Reference: Equity As of August 31,2024: ¥ 1,539 Million

As of August 31,2023: ¥ 1,934 Million

(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
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
August 31,2024	-74	-27	298	467
August 31,2023	-687	-491	491	251

2. Dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
August 31,2024	—	0.00	—	0.00	0.00	—	—	—
August 31,2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ending August 31,2025 (Forecast)	—	0.00	—	0.00	0.00		—	

3. Forecast of consolidated financial results for the year ending August 31,2025 (from September 1,2024 to August 31,2025)

(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 February 28,2025	1,160	76.1	19	—	17	—	2	—	0.34
Full year	2,719	72.3	223	—	218	—	99	—	14.03

4. Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) 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)

As of August 31,2024	7,113,400 shares
As of August 31,2023	7,109,400 shares

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

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

- (iii) Average number of shares outstanding during the period

Year Ended August 31,2024	7,110,296 shares
Year Ended August 31,2023	7,084,169 shares

Consolidated Financial Statements
Consolidated Balance Sheets

(Thousands of yen)

	As of August 31,2023	As of August 31,2024
Assets		
Current assets		
Cash and deposits	251,715	467,291
Accounts receivable-trade, and contract assets	267,541	388,748
Merchandise and finished goods	646,343	574,685
Raw materials and supplies	33,332	39,049
Income taxes refund receivable	67,441	2
Other	121,882	65,582
Allowance for doubtful accounts	△3,222	△3,156
Total current assets	1,385,034	1,532,202
Non-current assets		
Property, plant and equipment		
Buildings	484,953	484,953
Accumulated depreciation	△6,466	△16,165
Buildings, net	478,487	468,788
Facilities attached to buildings	166,821	167,501
Accumulated depreciation	△8,000	△20,538
Facilities attached to buildings, net	158,820	146,963
Structures	18,101	18,651
Accumulated depreciation	△609	△1,708
Structures, net	17,492	16,943
Vehicles	641	641
Accumulated depreciation	△641	△641
Vehicles, net	0	0
Tools, furniture and fixtures	187,550	197,073
Accumulated depreciation	△143,449	△166,938
Tools, furniture and fixtures, net	44,100	30,134
Land	292,589	292,589
Total property, plant and equipment	991,490	955,419
Intangible assets	36,649	31,522
Investments and other assets		
Investment securities	205,250	101,250
Deferred tax assets	67,243	1,015
Other	33,985	35,826
Allowance for doubtful accounts	△355	—
Total investments and other assets	306,123	138,092
Total non-current assets	1,334,263	1,125,034
Total assets	2,719,298	2,657,236

(Thousands of yen)

	As of August 31,2023	As of August 31,2024
Liabilities		
Current liabilities		
Accounts payable - trade	129,468	99,828
Short-term borrowings	460,000	665,000
Current portion of long-term borrowings	—	21,658
Accounts payable - other	63,847	63,673
Income taxes payable	21,395	57,933
Contract liabilities	32,474	33,735
Provision for bonuses	53,036	29,150
Provision for product warranties	9,036	3,751
Provision for loss on orders received	1,765	6,770
Other	11,726	50,621
Total current liabilities	782,750	1,032,124
Non-current liabilities		
Long-term borrowings	—	70,012
Asset retirement obligations	1,643	1,543
Deferred tax liabilities	—	11,817
Other	—	2,441
Total non-current liabilities	1,643	85,814
Total liabilities	784,393	1,117,939
Net assets		
Shareholders' equity		
Share capital	804,937	806,087
Capital surplus	794,937	796,087
Retained earnings	331,562	△58,182
Treasury shares	—	△44
Total shareholders' equity	1,931,437	1,543,947
Accumulated other comprehensive income		
Foreign currency translation adjustment	3,467	△4,650
Total accumulated other comprehensive income	3,467	△4,650
Total net assets	1,934,904	1,539,297
Total liabilities and net assets	2,719,298	2,657,236

Consolidated Statements of Income and Comprehensive Income
Consolidated Statements of Income

(Thousands of yen)

	Fiscal year ended August 31,2023	Fiscal year ended August 31,2024
Net sales	1,759,851	1,578,458
Cost of sales	1,193,691	1,044,785
Gross profit	566,159	533,672
Selling, general and administrative expenses	758,238	758,519
Operating loss	△192,078	△224,846
Non-operating income		
Interest and dividend income	222	108
Miscellaneous income	2,575	3,931
Foreign exchange gains	11,775	48,476
Total non-operating income	14,573	52,517
Non-operating expenses		
Interest expenses	897	3,175
Provision of allowance for doubtful accounts	1,137	35
Miscellaneous expenses	—	1,362
Total non-operating expenses	2,034	4,573
Ordinary loss	△179,540	△176,903
Extraordinary income		
Gain on sale of non-current assets	—	500
Subsidy income	2,061	—
Insurance claim income	—	30
Total extraordinary income	2,061	530
Extraordinary losses		
Loss on retirement of non-current assets	66	613
Loss on valuation of investment securities	—	103,999
Total extraordinary losses	66	104,613
Loss before income taxes	△177,545	△280,986
Income taxes - current	10,855	28,698
Income taxes - deferred	△18,329	80,059
Total income taxes	△7,473	108,757
Loss	△170,071	△389,744
Loss attributable to owners of parent	△170,071	△389,744

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	Fiscal year ended August 31,2023	Fiscal year ended August 31,2024
Loss	△170,071	△389,744
Other comprehensive income		
Foreign currency translation adjustment	1,706	△8,118
Total other comprehensive income	1,706	△8,118
Comprehensive income	△168,365	△397,862
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	△168,365	△397,862
Comprehensive income attributable to non-controlling interests	—	—

Consolidated Statements of Changes in Net Assets
Fiscal year ended August 31,2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	789,412	779,412	501,633	—	2,070,458
Changes during period					
Issuance of new shares	15,525	15,525			31,050
Loss attributable to owners of parent			△170,071		△170,071
Purchase of treasury shares					—
Net changes in items other than shareholders' equity					
Total changes during period	15,525	15,525	△170,071	—	△139,021
Balance at end of period	804,937	794,937	331,562	—	1,931,437

	Accumulated other		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	1,761	1,761	2,072,219
Changes during period			
Issuance of new shares			31,050
Loss attributable to owners of parent			△170,071
Purchase of treasury shares			—
Net changes in items other than shareholders' equity	1,706	1,706	1,706
Total changes during period	1,706	1,706	△137,315
Balance at end of period	3,467	3,467	1,934,904

Fiscal year ended August 31,2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	804,937	794,937	331,562	—	1,931,437
Changes during period					
Issuance of new shares	1,150	1,150			2,300
Loss attributable to owners of parent			△389,744		△389,744
Purchase of treasury shares				△44	△44
Net changes in items other than shareholders' equity					
Total changes during period	1,150	1,150	△389,744	△44	△387,489
Balance at end of period	806,087	796,087	△58,182	△44	1,543,947

	Accumulated other		Total net assets
	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	3,467	3,467	1,934,904
Changes during period			
Issuance of new shares			2,300
Loss attributable to owners of parent			△389,744
Purchase of treasury shares			△44
Net changes in items other than shareholders' equity	△8,118	△8,118	△8,118
Total changes during period	△8,118	△8,118	△395,607
Balance at end of period	△4,650	△4,650	1,539,297

Consolidated Statements of Cash Flows

(Thousands of yen)

	Fiscal year ended August 31,2023	Fiscal year ended August 31,2024
Cash flows from operating activities		
Loss before income taxes	△177,545	△280,986
Depreciation	48,996	66,887
Loss (gain) on valuation of investment securities	—	103,999
Subsidy income	△2,061	—
Insurance claim income	—	△30
Increase (decrease) in provision for loss on orders received	△3,016	5,005
Increase (decrease) in provision for product warranties	△8,208	△5,284
Increase (decrease) in allowance for doubtful accounts	316	△420
Increase (decrease) in provision for bonuses	9,608	△24,645
Loss on retirement of non-current assets	66	659
Loss (gain) on sale of property, plant and equipment	—	△500
Interest and dividend income	△222	△108
Interest expenses	897	3,175
Decrease (increase) in trade receivables	63,566	△115,358
Decrease (increase) in inventories	△357,834	71,615
Increase (decrease) in trade payables	△44,088	△46,243
Decrease (increase) in other current assets	△129,885	122,820
Increase (decrease) in other current liabilities	36,873	△24,654
Increase (decrease) in accounts payable - other	26,966	716
Other, net	7,704	△12,112
Subtotal	△527,867	△135,465
Interest and dividends received	222	108
Interest paid	△1,018	△2,803
Income taxes refund	1	66,935
Income taxes paid	△160,898	△2,955
Subsidies received	2,061	—
Proceeds from insurance income	—	30
Net cash provided by (used in) operating activities	△687,498	△74,149
Cash flows from investing activities		
Purchase of property, plant and equipment	△351,789	△25,429
Proceeds from sale of property, plant and equipment	—	500
Purchase of investment securities	△101,250	—
Proceeds from collection of loans receivable	12,095	—
Purchase of intangible assets	△23,429	△2,802
Other, net	△26,669	63
Net cash provided by (used in) investing activities	△491,043	△27,668
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	460,000	205,000
Proceeds from long-term borrowings	—	100,000
Repayments of long-term borrowings	—	△8,330
Proceeds from issuance of shares	31,050	2,300
Purchase of treasury shares	—	△44
Net cash provided by (used in) financing activities	491,050	298,925
Effect of exchange rate change on cash and cash equivalents	3,121	18,468
Net increase (decrease) in cash and cash equivalents	△684,370	215,576
Cash and cash equivalents at beginning of period	936,086	251,715
Cash and cash equivalents at end of period	251,715	467,291