

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 7, 2023

Company name: ALPHA SYSTEMS INC.
 Stock exchange listing: Tokyo
 Stock code: 4719 URL <https://www.alpha.co.jp/>
 Representative: President Kiyoshi Saito
 Inquiries: Senior Executive Managing Director Satoshi Takada TEL 044-733-4111
 Scheduled date to file Quarterly Securities Report: February 9, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2022	26,352	6.7	3,114	6.4	3,162	6.5	2,158	6.6
Nine months ended December 31, 2021	24,706	12.3	2,928	29.2	2,968	28.3	2,024	32.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	153.77		–	
Nine months ended December 31, 2021	144.21		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	47,097	39,014	82.8
As of March 31, 2022	46,824	38,122	81.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	–	25.00	–	55.00	80.00
Year ending March 31, 2023	–	35.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	35.00	70.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	35,000	3.3	4,200	4.1	4,240	3.8	2,900	4.0	206.56

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(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 December 31, 2022	14,052,400 shares	As of March 31, 2022	14,052,400 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	13,235 shares	As of March 31, 2022	13,007 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	14,039,284 shares	Nine months ended December 31, 2021	14,039,559 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	22,700,793	22,400,799
Accounts receivable and contract assets	8,556,001	7,992,814
Securities	1,499,953	999,904
Work in process	8,583	163,290
Other	238,804	288,519
Total current assets	33,004,137	31,845,328
Non-current assets		
Property, plant and equipment		
Buildings, net	4,244,378	4,103,415
Land	5,173,538	5,173,538
Other, net	123,629	115,504
Total property, plant and equipment	9,541,546	9,392,458
Intangible assets	24,429	23,274
Investments and other assets		
Investment securities	792,694	1,588,679
Other	3,462,880	4,248,291
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	4,254,575	5,835,971
Total non-current assets	13,820,551	15,251,704
Total assets	46,824,688	47,097,032
Liabilities		
Current liabilities		
Accounts payable - trade	1,380,293	1,278,277
Income taxes payable	860,989	227,163
Provision for bonuses	1,219,722	1,003,045
Provision for bonuses for directors (and other officers)	–	129,000
Other	3,717,672	3,995,218
Total current liabilities	7,178,677	6,632,704
Non-current liabilities		
Provision for retirement benefits	1,283,906	1,210,711
Other	239,147	239,147
Total non-current liabilities	1,523,054	1,449,859
Total liabilities	8,701,731	8,082,564
Net assets		
Shareholders' equity		
Share capital	8,500,550	8,500,550
Capital surplus	8,647,050	8,647,050
Retained earnings	20,960,509	21,855,790
Treasury shares	(38,352)	(39,334)
Total shareholders' equity	38,069,757	38,964,055
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	53,199	50,413
Total valuation and translation adjustments	53,199	50,413
Total net assets	38,122,956	39,014,468
Total liabilities and net assets	46,824,688	47,097,032

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	24,706,758	26,352,346
Cost of sales	18,649,247	20,007,530
Gross profit	6,057,510	6,344,816
Selling, general and administrative expenses	3,129,221	3,230,070
Operating profit	2,928,288	3,114,746
Non-operating income		
Interest income	13,527	20,553
Dividend income	2,370	1,150
Rental income	27,240	27,240
Other	9,057	11,407
Total non-operating income	52,195	60,351
Non-operating expenses		
Rental costs	12,140	12,581
Other	84	0
Total non-operating expenses	12,224	12,581
Ordinary profit	2,968,259	3,162,516
Extraordinary income		
Gain on sale of non-current assets	1,523	976
Gain on sale of investment securities	10	–
Total extraordinary income	1,533	976
Extraordinary losses		
Loss on retirement of non-current assets	3,517	–
Total extraordinary losses	3,517	–
Profit before income taxes	2,966,275	3,163,492
Income taxes - current	791,853	787,839
Income taxes - deferred	149,722	216,832
Total income taxes	941,576	1,004,671
Profit	2,024,699	2,158,820