

Translation

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## Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 12, 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 of ordinary general meeting of shareholders: June 29, 2023  
 Scheduled date to file Securities Report: June 30, 2023  
 Scheduled date to commence dividend payments: June 9, 2023  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

### 1. Non-consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Non-consolidated operating results

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	%
Year ended March 31, 2023	35,548	4.9	4,213	4.5	4,279	4.7	2,918	4.7
Year ended March 31, 2022	33,874	8.2	4,033	19.7	4,086	19.2	2,788	22.2

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2023	207.91	–	7.5	9.0	11.9
Year ended March 31, 2022	198.64	–	7.5	9.0	11.9

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2023	48,166	39,775	82.6	2,833.16
As of March 31, 2022	46,824	38,122	81.4	2,715.43

#### (3) Non-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 March 31, 2023	2,946	(1,341)	(1,263)	22,542
Year ended March 31, 2022	2,929	(57)	(703)	22,200

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2022	–	25.00	–	55.00	80.00	1,123	40.3	3.0
Year ended March 31, 2023	–	35.00	–	35.00	70.00	982	33.7	2.5
Year ending March 31, 2024 (Forecast)	–	35.00	–	35.00	70.00		33.4	

3. Forecast of non-consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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
Six months ending September 30, 2023	17,500	0.6	2,000	(2.9)	2,030	(2.9)	1,370	(4.4)	97.58
Full year	36,000	1.3	4,300	2.0	4,360	1.9	2,940	0.7	209.41

4. Notes

(1) 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

(2) Number of issued shares (common shares)

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

As of March 31, 2023	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 March 31, 2023	13,235 shares	As of March 31, 2022	13,007 shares
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Average number of shares during the period

Year ended March 31, 2023	14,039,256 shares	Year ended March 31, 2022	14,039,521 shares
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**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	22,700,793	23,042,284
Accounts receivable - trade	7,684,171	7,655,624
Contract assets	871,830	874,014
Securities	1,499,953	999,953
Work in process	8,583	3,812
Raw materials and supplies	–	14,949
Prepaid expenses	43,208	46,083
Other	195,596	196,226
Total current assets	33,004,137	32,832,948
Non-current assets		
Property, plant and equipment		
Buildings, net	4,244,378	4,063,210
Structures, net	45,802	41,685
Tools, furniture and fixtures, net	58,821	60,386
Land	5,173,538	5,173,538
Other	19,005	2,950
Total property, plant and equipment	9,541,546	9,341,770
Intangible assets		
Software	20,227	17,752
Other	4,201	4,145
Total intangible assets	24,429	21,897
Investments and other assets		
Investment securities	792,694	1,589,754
Long-term prepaid expenses	1,962	1,564
Deferred tax assets	1,241,936	1,159,267
Long-term time deposits	2,000,000	3,000,000
Other	218,981	220,605
Allowance for doubtful accounts	(1,000)	(1,000)
Total investments and other assets	4,254,575	5,970,191
Total non-current assets	13,820,551	15,333,860
Total assets	46,824,688	48,166,808

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	1,380,293	1,293,083
Accounts payable - other	256,547	240,085
Accounts payable - facilities	18,307	10,430
Accrued expenses	1,793,796	1,817,120
Income taxes payable	860,989	797,188
Contract liabilities	492,655	467,206
Advances received	3,405	3,405
Deposits received	560,603	562,883
Provision for bonuses	1,219,722	1,261,292
Other	592,355	513,416
<b>Total current liabilities</b>	<b>7,178,677</b>	<b>6,966,113</b>
<b>Non-current liabilities</b>		
Provision for retirement benefits	1,283,906	1,186,313
Other	239,147	239,147
<b>Total non-current liabilities</b>	<b>1,523,054</b>	<b>1,425,460</b>
<b>Total liabilities</b>	<b>8,701,731</b>	<b>8,391,574</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	8,500,550	8,500,550
<b>Capital surplus</b>		
Legal capital surplus	8,647,050	8,647,050
<b>Total capital surplus</b>	<b>8,647,050</b>	<b>8,647,050</b>
<b>Retained earnings</b>		
Legal retained earnings	179,000	179,000
<b>Other retained earnings</b>		
General reserve	5,525,000	5,525,000
Retained earnings brought forward	15,256,509	16,911,809
<b>Total retained earnings</b>	<b>20,960,509</b>	<b>22,615,809</b>
Treasury shares	(38,352)	(39,334)
<b>Total shareholders' equity</b>	<b>38,069,757</b>	<b>39,724,074</b>
<b>Valuation and translation adjustments</b>		
Valuation difference on available-for-sale securities	53,199	51,159
<b>Total valuation and translation adjustments</b>	<b>53,199</b>	<b>51,159</b>
<b>Total net assets</b>	<b>38,122,956</b>	<b>39,775,233</b>
<b>Total liabilities and net assets</b>	<b>46,824,688</b>	<b>48,166,808</b>

## Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Net sales	33,874,714	35,548,872
Cost of sales	25,696,790	27,076,887
Gross profit	8,177,924	8,471,984
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	548,900	545,600
Salaries and allowances	1,655,173	1,677,281
Bonuses	466,027	459,626
Provision for bonuses	118,071	124,631
Commutation allowance	38,961	37,791
Legal welfare expenses	361,134	362,491
Retirement benefit expenses	42,809	28,555
Depreciation	30,819	35,764
Other	882,586	986,462
Total selling, general and administrative expenses	4,144,484	4,258,205
Operating profit	4,033,440	4,213,779
Non-operating income		
Interest income	10,685	18,718
Interest on securities	7,358	9,942
Dividend income	2,370	1,150
Rental income	36,320	36,320
Other	12,154	15,970
Total non-operating income	68,890	82,103
Non-operating expenses		
Rental costs	16,082	16,455
Other	134	0
Total non-operating expenses	16,217	16,455
Ordinary profit	4,086,113	4,279,427
Extraordinary income		
Gain on sale of non-current assets	1,886	1,323
Gain on sale of investment securities	10	–
Total extraordinary income	1,896	1,323
Extraordinary losses		
Loss on retirement of non-current assets	3,670	–
Total extraordinary losses	3,670	–
Profit before income taxes	4,084,339	4,280,750
Income taxes - current	1,264,160	1,278,341
Income taxes - deferred	31,399	83,568
Total income taxes	1,295,560	1,361,909
Profit	2,788,779	2,918,840

## Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	13,332,172	19,036,172	(37,328)	36,146,444
Cumulative effects of changes in accounting policies						(162,462)	(162,462)		(162,462)
Restated balance	8,500,550	8,647,050	8,647,050	179,000	5,525,000	13,169,709	18,873,709	(37,328)	35,983,981
Changes during period									
Dividends of surplus						(701,979)	(701,979)		(701,979)
Profit						2,788,779	2,788,779		2,788,779
Purchase of treasury shares								(1,023)	(1,023)
Net changes in items other than shareholders' equity									
Total changes during period	-	-	-	-	-	2,086,800	2,086,800	(1,023)	2,085,776
Balance at end of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	15,256,509	20,960,509	(38,352)	38,069,757

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	44,835	44,835	36,191,279
Cumulative effects of changes in accounting policies			(162,462)
Restated balance	44,835	44,835	36,028,816
Changes during period			
Dividends of surplus			(701,979)
Profit			2,788,779
Purchase of treasury shares			(1,023)
Net changes in items other than shareholders' equity	8,364	8,364	8,364
Total changes during period	8,364	8,364	2,094,140
Balance at end of period	53,199	53,199	38,122,956

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity								
	Share capital	Capital surplus		Retained earnings				Treasury shares	Total shareholders' equity
		Legal capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings		
					General reserve	Retained earnings brought forward			
Balance at beginning of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	15,256,509	20,960,509	(38,352)	38,069,757
Changes during period									
Dividends of surplus						(1,263,540)	(1,263,540)		(1,263,540)
Profit						2,918,840	2,918,840		2,918,840
Purchase of treasury shares								(982)	(982)
Net changes in items other than shareholders' equity									
Total changes during period	–	–	–	–	–	1,655,300	1,655,300	(982)	1,654,317
Balance at end of period	8,500,550	8,647,050	8,647,050	179,000	5,525,000	16,911,809	22,615,809	(39,334)	39,724,074

	Valuation and translation adjustments		Total net assets
	Valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	53,199	53,199	38,122,956
Changes during period			
Dividends of surplus			(1,263,540)
Profit			2,918,840
Purchase of treasury shares			(982)
Net changes in items other than shareholders' equity	(2,040)	(2,040)	(2,040)
Total changes during period	(2,040)	(2,040)	1,652,276
Balance at end of period	51,159	51,159	39,775,233

## Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Cash flows from operating activities		
Profit before income taxes	4,084,339	4,280,750
Depreciation	249,161	230,289
Increase (decrease) in provision for bonuses	71,620	41,570
Increase (decrease) in provision for loss on orders received	(9,000)	–
Increase (decrease) in provision for retirement benefits	26,766	(97,593)
Interest and dividend income	(20,414)	(29,811)
Loss on retirement of property, plant and equipment	3,670	–
Loss (gain) on sale of property, plant and equipment	(1,886)	(1,323)
Loss (gain) on sale of investment securities	(10)	–
Decrease (increase) in trade receivables	349,438	28,547
Decrease (increase) in contract assets	(871,830)	(2,184)
Decrease (increase) in inventories	(7,715)	17,002
Increase (decrease) in trade payables	52,570	(87,209)
Increase (decrease) in accounts payable - other	(47,635)	(17,209)
Other, net	145,492	(100,684)
Subtotal	4,024,565	4,262,143
Interest and dividends received	20,174	25,097
Income taxes paid	(1,114,824)	(1,340,812)
Net cash provided by (used in) operating activities	2,929,914	2,946,429
Cash flows from investing activities		
Payments into time deposits	(500,000)	(1,500,000)
Proceeds from withdrawal of time deposits	500,000	500,000
Purchase of property, plant and equipment	(141,050)	(38,173)
Proceeds from sale of property, plant and equipment	8,700	–
Purchase of intangible assets	(17,076)	(2,888)
Purchase of short-term and long-term investment securities	(1,999,800)	(2,899,800)
Proceeds from sale and redemption of short-term and long-term investment securities	2,105,990	2,600,000
Other, net	(14,600)	(300)
Net cash provided by (used in) investing activities	(57,838)	(1,341,163)
Cash flows from financing activities		
Purchase of treasury shares	(1,023)	(982)
Dividends paid	(702,394)	(1,262,792)
Net cash provided by (used in) financing activities	(703,418)	(1,263,775)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	2,168,657	341,490
Cash and cash equivalents at beginning of period	20,032,135	22,200,793
Cash and cash equivalents at end of period	22,200,793	22,542,284