

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Non-Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 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 Managing Director Kazuhiro Kubota TEL 044-733-4111
 Scheduled date to file Quarterly Securities Report: August 10, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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	%
Three months ended June 30, 2023	8,485	(0.6)	845	(14.8)	863	(14.3)	581	(14.7)
Three months ended June 30, 2022	8,539	6.9	992	2.1	1,007	2.1	682	2.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	41.45		–	
Three months ended June 30, 2022	48.58		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	47,207	39,868	84.5
As of March 31, 2023	48,166	39,775	82.6

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, 2023	–	35.00	–	35.00	70.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	35.00	–	35.00	70.00

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) 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 June 30, 2023	14,052,400 shares	As of March 31, 2023	14,052,400 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2023	13,235 shares	As of March 31, 2023	13,235 shares
---------------------	---------------	----------------------	---------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	14,039,165 shares	Three months ended June 30, 2022	14,039,375 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	23,042,284	23,576,102
Accounts receivable and contract assets	8,529,639	7,038,548
Securities	999,953	999,904
Work in process	3,812	215,490
Other	257,259	348,533
Total current assets	32,832,948	32,178,579
Non-current assets		
Property, plant and equipment		
Buildings, net	4,063,210	4,032,916
Land	5,173,538	5,173,538
Other, net	105,022	100,375
Total property, plant and equipment	9,341,770	9,306,829
Intangible assets	21,897	21,059
Investments and other assets		
Investment securities	1,589,754	1,593,566
Other	4,381,437	4,112,418
Allowance for doubtful accounts	(1,000)	(5,391)
Total investments and other assets	5,970,191	5,700,593
Total non-current assets	15,333,860	15,028,481
Total assets	48,166,808	47,207,061
Liabilities		
Current liabilities		
Accounts payable - trade	1,293,083	1,313,565
Income taxes payable	797,188	68,285
Provision for bonuses	1,261,292	458,770
Provision for bonuses for directors (and other officers)	–	37,000
Other	3,614,549	4,077,764
Total current liabilities	6,966,113	5,955,385
Non-current liabilities		
Provision for retirement benefits	1,186,313	1,155,176
Other	239,147	228,010
Total non-current liabilities	1,425,460	1,383,186
Total liabilities	8,391,574	7,338,571
Net assets		
Shareholders' equity		
Share capital	8,500,550	8,500,550
Capital surplus	8,647,050	8,647,050
Retained earnings	22,615,809	22,706,420
Treasury shares	(39,334)	(39,334)
Total shareholders' equity	39,724,074	39,814,685
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	51,159	53,804
Total valuation and translation adjustments	51,159	53,804
Total net assets	39,775,233	39,868,489
Total liabilities and net assets	48,166,808	47,207,061

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	8,539,981	8,485,937
Cost of sales	6,447,634	6,555,651
Gross profit	2,092,347	1,930,285
Selling, general and administrative expenses	1,099,430	1,084,595
Operating profit	992,916	845,690
Non-operating income		
Interest income	5,137	9,345
Dividend income	550	600
Rental income	9,080	9,080
Other	3,820	2,258
Total non-operating income	18,588	21,284
Non-operating expenses		
Rental costs	4,212	3,661
Other	0	–
Total non-operating expenses	4,212	3,661
Ordinary profit	1,007,291	863,313
Extraordinary losses		
Loss on retirement of non-current assets	–	1,819
Total extraordinary losses	–	1,819
Profit before income taxes	1,007,291	861,493
Income taxes - current	2,826	7,041
Income taxes - deferred	322,393	272,470
Total income taxes	325,220	279,512
Profit	682,071	581,981