

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

February 12, 2025

Financial Results for the First Three Months of the Fiscal Year Ending September 30, 2025 <under Japanese GAAP> (Non-Consolidated)



Company name: ABIST Co., Ltd. Listing: Tokyo Stock Exchange
 Stock code: 6087 URL: <https://www.abist.co.jp>
 Representative: Akira Shin, President
 Inquiries: Norikazu Maruyama, Executive Director Phone: +81-422-26-5960
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes

(Rounded down to the nearest million yen)

1. Non-Consolidated Performance for the First Three Months of the Fiscal Year Ending September 30, 2025 (from October 1, 2024 to December 31, 2024)

(1) Non-consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First three months ended December 31, 2024	2,602	4.8	309	(3.3)	310	(3.1)	173	(14.8)
December 31, 2023	2,483	—	319	—	320	—	203	—

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
First three months ended December 31, 2024	43.52	—
December 31, 2023	51.05	—

Note: The Company disclosed its consolidated financial results for the first three months of the fiscal year ended September 30, 2023. Starting with results for the first six months of the fiscal year ended September 30, 2023, it has decided to make disclosures on a non-consolidated basis. Therefore, the results for the first three months of the fiscal year ended September 30, 2024 are shown without reference to year-on-year percentage changes.

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	9,079	6,714	74.0
September 30, 2024	9,380	6,859	73.1

Reference: Equity As of December 31, 2024: 6,714 million yen
 As of September 30, 2024: 6,859 million yen

2. Cash Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2024	—	0.00	—	102.00	102.00
Fiscal year ending September 30, 2025	—				
Fiscal year ending September 30, 2025 (Forecast)		0.00	—	102.00	102.00

Note: Revisions to the forecasts of cash dividends most recently announced: None

3. Non-Consolidated Earnings Forecasts for the Fiscal Year Ending September 30, 2025 (from October 1, 2024 to September 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	10,700	7.0	800	(11.5)	800	(11.7)	440	(28.0)	110.57

Note: Revisions to the earnings forecasts most recently announced: None

* Notes

- (1) Application of special accounting in preparing quarterly financial statements: None
Notes on application of special accounting in preparing quarterly financial statements
- (2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements after error corrections
 - (a) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (b) Changes in accounting principles other than (a): None
 - (c) Changes in accounting estimates: None
 - (d) Restatement of prior period financial statements after error corrections: None
 Notes on changes in accounting policies
- (3) Number of issued shares (common shares)
 - (a) Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	3,980,000 shares
As of September 30, 2024	3,980,000 shares
 - (b) Number of treasury shares at the end of the period

As of December 31, 2024	651 shares
As of September 30, 2024	586 shares
 - (c) Average number of outstanding shares during the period (cumulative from the beginning of the fiscal year)

First three months ended December 31, 2024	3,979,368 shares
First three months ended December 31, 2023	3,979,565 shares
 Notes on the number of issued shares

* Review by a certified public accountant or the auditing firm of the attached quarterly financial statements: Done (mandatory)

* Cautionary statement regarding forecasts of operating results and special notes

Financial results forecasts and other forward-looking statements contained in this material are based on information available to the Company and certain assumptions that are deemed to be reasonable. Therefore, actual results may differ significantly from these forward-looking statements due to various factors. For the conditions on which financial results forecasts are based and notes on the use of these forecasts, please refer to “1. Overview of Operating Results, etc., (3) Explanation regarding earnings forecasts and other forward-looking statements” on page 3 of the summary of Financial Results [Attached Materials].

Table of Contents of the Attached Materials

1. Overview of Operating Results, etc.	2
(1) Explanation regarding operating results	2
(2) Explanation regarding financial position	3
(3) Explanation regarding earnings forecasts and other forward-looking statements	3
2. Financial Statements and Primary Notes	4
(1) Non-consolidated quarterly balance sheets	4
(2) Non-consolidated quarterly statements of income	6
First three-month period	6
(3) Notes to non-consolidated financial statements	7
(Notes on going concern assumption)	7
(Non-consolidated quarterly balance sheets)	7
(Non-consolidated quarterly statements of income)	7
(Notes in the case of material changes in shareholders' equity)	7
(Note to non-consolidated statement of cash flows)	7
(Notes to segment information, etc.)	8
(Matters concerning revenue recognition)	9
(Significant subsequent events)	9

1. Overview of Operating Results, etc.

(1) Explanation regarding operating results

During the first three months of the fiscal year ending September 30, 2025, the global economy was on a recovery track and is this recovery is expected to continue in the future, despite signs of stagnation in the Chinese economy. However, attention is needed to high interest rates in the United States and Europe, a slowdown in the Chinese economy, the situation in the Middle East, and the effects of fluctuations in financial and capital markets.

The Japanese economy was on a path toward a moderate recovery, and there were signs of improvement in employment and income levels. Despite an increase in the labor force and the number of employed individuals, there were significant labor shortages. Consumer prices continue to rise gradually, and the Company expects that the government and Keidanren will continue to call for wage increases and that average wages in Japan are likely to keep rising.

In the automobile industry and auto parts industry where the Company operates its main business, technical innovation is expected to continue to accelerate in the future. There are sustained global trends toward decarbonization, and the Company considers that research and development investment for the development of next-generation technologies will be maintained, while it is necessary to keep paying careful attention to US policy. Since the Group's mainstay Design and Development Outsourcing business is an upstream process in production, automakers' suspension of plant operation or reduced production is unlikely to have a direct impact, such as contract cancellations. On the other hand, the performance of the business may be impacted in instances such as a more severe slowdown of overseas economies. Therefore, the observation of industry trends should continue.

In this business environment, the Company actively promoted not only its existing businesses but also new businesses with the aim of becoming a digital solution company that proposes solutions with greater added value. In the first three months of the fiscal year under review, the Company recorded net sales of 2,602 million yen (up 4.8% year on year), operating profit of 309 million yen (down 3.3%), ordinary profit of 310 million yen (down 3.1%) and profit of 173 million yen (down 14.8%), as a result of an increase in operation staff and the improvement of unit prices in the Design Outsourcing business.

The results in each segment are as follows.

(a) Design and Development Outsourcing business

In this segment, net sales came to 2,574 million yen (up 5.8% year on year), attributable to an increase in operation staff and the improvement of worker dispatch and outsourcing unit prices. On the other hand, segment profit (operating profit) was 497 million yen (down 5.6%) due to an increase in labor cost resulting from significant pay increases, while segment profit (operating profit) margin was 19.3%.

(b) Beauty and Health Products Manufacture and Sale business

In this segment, net sales stood at 13 million yen (down 10.8% year on year) and segment loss came to 6 million yen (compared to a 3 million-yen segment loss (operating loss) in the same period of the previous fiscal year), mainly as a result of a decrease in order received for OEM products.

(c) Real Estate Leasing business

In this segment, leasehold properties maintained high occupancy rates. Net sales stood at 15 million yen (no change from the previous fiscal year), and segment profit (operating profit) came to 6 million yen (down 5.3% year on year). The segment profit (operating profit) margin was 40.8%.

(Note) With the discontinuance of the 3D Printing Business in the previous fiscal year, the reporting segment for 3D Printing Business was abolished starting in the first three months of the fiscal year under review.

(2) Explanation regarding financial position

Total assets at the end of the first three months under review stood at 9,079 million yen, down 300 million yen from the end of the previous fiscal year. This is attributable mainly to a decrease in cash and deposits due to dividends paid.

Total liabilities stood at 2,364 million yen, a decrease of 156 million yen from the end of the previous fiscal year. This is chiefly due to a decrease in provision for bonuses.

Net assets fell 144 million yen from the end of the previous fiscal year, to 6,714 million yen, chiefly reflecting a decrease in retained earnings due to the payment of dividends.

(3) Explanation regarding earnings forecasts and other forward-looking statements

No change has been made to the forecasts for financial results announced on December 30, 2024. If any revision to the financial forecasts becomes necessary in the future, the Company will promptly disclose it.

2. Financial Statements and Primary Notes

(1) Non-consolidated quarterly balance sheets

(Thousand yen)

	As of September 30, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	4,488,541	4,197,250
Accounts receivable – trade	1,439,941	1,449,674
Merchandise and finished goods	43	256
Work in process	46,144	55,092
Raw materials	10,106	9,227
Prepaid expenses	123,860	90,146
Other	29,937	33,375
Total current assets	6,138,575	5,835,023
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	929,148	921,715
Land	993,400	993,400
Other, net	43,456	43,874
Total property, plant and equipment	1,966,005	1,958,990
Intangible assets	80,581	83,045
Investments and other assets	1,195,280	1,202,479
Total non-current assets	3,241,866	3,244,516
Total assets	9,380,441	9,079,539
Liabilities		
Current liabilities		
Accounts payable - trade	3,555	175
Short-term borrowings	50,000	–
Accounts payable - other	928,543	1,120,379
Income taxes payable	88,875	15,935
Accrued consumption taxes	179,348	219,656
Deposits received	11,279	189,745
Provision for bonuses	383,568	–
Provision for bonuses for directors	11,331	7,720
Provision for shareholder benefit program	44,685	7,495
Other	8,231	23,293
Total current liabilities	1,709,419	1,584,401
Non-current liabilities		
Provision for retirement benefits	628,451	631,634
Provision for retirement benefits for directors	10,652	12,198
Long-term accounts payable - other	122,803	86,777
Other	49,735	49,825
Total non-current liabilities	811,642	780,436
Total liabilities	2,521,062	2,364,837

(Thousand yen)

	As of September 30, 2024	As of December 31, 2024
Net assets		
Shareholders' equity		
Share capital	1,026,650	1,026,650
Capital surplus	1,016,650	1,016,650
Retained earnings	4,443,075	4,210,354
Treasury shares	(1,858)	(2,057)
Total shareholders' equity	6,484,516	6,251,597
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	374,862	463,105
Total of valuation and translation adjustments, etc.	374,862	463,105
Total net assets	6,859,379	6,714,702
Total liabilities and net assets	9,380,441	9,079,539

(2) Non-consolidated quarterly statements of income
First three-month period

	(Thousand yen)	
	First three months ended December 31, 2023	First three months ended December 31, 2024
Net sales	2,483,877	2,602,476
Cost of sales	1,746,984	1,856,636
Gross profit	736,893	745,839
Selling, general and administrative expenses	417,048	436,651
Operating profit	319,845	309,187
Non-operating income		
Interest income	0	1
Commission income	162	154
Subsidy income	432	986
Other	—	158
Total non-operating income	594	1,300
Non-operating expenses		
Interest expenses	75	51
Total non-operating expenses	75	51
Ordinary profit	320,364	310,436
Extraordinary losses		
Loss on retirement of non-current assets	10,668	—
Provision for retirement benefits for directors	3,150	—
Expenses related to correction of past financial results, etc.	—	* 40,254
Total extraordinary losses	13,818	40,254
Profit before income taxes	306,545	270,181
Income taxes - current	3,343	3,302
Income taxes - deferred	100,037	93,700
Total income taxes	103,381	97,002
Profit	203,164	173,179

(3) Notes to non-consolidated financial statements

(Notes on going concern assumption)

Not applicable.

(Non-consolidated quarterly balance sheets)

Contingent liabilities

The Company decided to return the Employment Adjustment Subsidy for COVID-19 received between September 2020 and October 2022 and corrected revenues from the subsidy recorded in the fiscal years ended September 2021, September 2022 and September 2023, respectively for each fiscal year. During the course of interacting with labor departments in charge of the business sites related to the subject case, there is a possibility that any additional charge and/or delinquent charge depending on the judgment of the authority may affect the Company's financial results. However, it is difficult at this time to make a reasonable estimate of any such impact.

(Non-consolidated quarterly statements of income)

* Expenses related to correction of past financial results, etc.

First three months ended December 31, 2024

Doubtful points were identified in the content of the Company's application for the Employment Adjustment Subsidy. As a result of an internal investigation, inappropriate content was found in the application, and the Company established a special investigation committee to conduct an investigation. The accompanying expenses for the investigation conducted by the special investigation committee and expenses related to the correction of past financial results were recorded as "expenses related to correction of past financial results, etc." under extraordinary losses.

(Notes in the case of material changes in shareholders' equity)

Not applicable.

(Note to non-consolidated statement of cash flows)

The Group has not prepared a quarterly statement of cash flows for the first three months of the fiscal year under review. Depreciation (including amortization of intangible assets) for the first three months of the fiscal year under review is as follows.

	First three months ended December 31, 2023	First three months ended December 31, 2024
Depreciation	36,969 thousand yen	28,150 thousand yen

(Notes to segment information, etc.)

I. First three months ended December 31, 2023

1. Information regarding amounts of net sales and profit/loss by reportable segment

(Thousand yen)

	Reportable segments				Total	Adjustment (Note)	Amount recorded in the non- consolidated quarterly statement of income
	Design and Development Outsourcing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business	3D Printing business			
Net sales							
Sales to outside customers	2,433,577	14,582	15,235	20,483	2,483,877	—	2,483,877
Inter-segment sales and transfers	—	11	—	—	11	(11)	—
Total	2,433,577	14,593	15,235	20,483	2,483,889	(11)	2,483,877
Segment profit (loss)	526,938	(3,173)	6,573	(6,400)	523,938	(204,092)	319,845

(Note) The adjustment consists of the following items.

The adjustment to segment profit (loss), (204,092 thousand yen), is corporate costs that are not allocated to any of the reportable segments.

II. First three months ended December 31, 2024

1. Information regarding amounts of net sales and profit/loss by reportable segment

(Thousand yen)

	Reportable segments			Total	Adjustment (Note)	Amount recorded in the non- consolidated quarterly statement of income
	Design and Development Outsourcing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business			
Net sales						
Sales to outside customers	2,574,216	13,024	15,235	2,602,476	—	2,602,476
Inter-segment sales and transfers	—	—	—	—	—	—
Total	2,574,216	13,024	15,235	2,602,476	—	2,602,476
Segment profit (loss)	497,196	(6,062)	6,222	497,356	(188,168)	309,187

(Note) The adjustment consists of the following items.

The adjustment to segment profit (loss), (188,168 thousand yen), is corporate costs that are not allocated to any of the reportable segments.

2. Information on the change in reportable segments, etc.

With the discontinuance of the 3D Printing Business in the previous fiscal year, the reporting segment for 3D Printing Business was abolished starting in the first three months of the fiscal year under review.

(Matters concerning revenue recognition)

Information on the breakdown of revenue from contracts with customers

First three months ended December 31, 2023

(Thousand yen)

	Reportable segments				Total
	Design and Development Outsourcing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business	3D Printing business	
Contract for work	1,338,657	—	—	—	1,338,657
Dispatch contract	1,089,376	—	—	—	1,089,376
Others	5,543	14,582	—	20,483	40,608
Revenue from contracts with customers	2,433,577	14,582	—	20,483	2,468,642
Other revenue	—	—	15,235	—	15,235
Sales to outside customers	2,433,577	14,582	15,235	20,483	2,483,877

(Note) Other revenue includes lease revenue under the Accounting Standard for Lease Transactions (ASBJ Statement No.13, March 30, 2007).

First three months ended December 31, 2024

(Thousand yen)

	Reportable segments			Total
	Design and Development Outsourcing business	Beauty and Health Products Manufacture and Sale business	Real Estate Leasing business	
Contract for work	1,459,202	—	—	1,459,202
Dispatch contract	1,094,040	—	—	1,094,040
Others	20,973	12,634	—	33,607
Revenue from contracts with customers	2,574,216	12,634	—	2,586,850
Other revenue	—	390	15,235	15,625
Sales to outside customers	2,574,216	13,024	15,235	2,602,476

(Notes) 1. Other revenue includes lease revenue under the Accounting Standard for Lease Transactions (ASBJ Statement No.13, March 30, 2007).

2. With the discontinuance of the 3D Printing Business in the previous fiscal year, the reporting segment for 3D Printing Business was abolished starting in the first three months of the fiscal year under review.

(Significant subsequent events)

Not applicable.