

Mainstay products are the AsReader series, which are barcode readers and RFID readers

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[6522 Asterisk Sector : Electric Appliances]

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Aug. 2019	1,144	-	65	-	54	-	71	-	56.2	178.4	0.0
Aug. 2020	1,398	22.2	112	72.3	101	87.0	68	-4.2	53.9	231.8	0.0
Aug. 2021 f	1,746	24.9	223	99.1	223	2.2x	172	2.5x	134.9	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending August 2021 are the company's forecasts.

Develops Business Centering on Object Recognition and Mobile

Asterisk group is comprised of four companies: Asterisk, Dalian Mingxing Technology, which mainly conducts research and development of new products in Dalian, China, and two sales subsidiaries in the U.S. and Europe.

The group is engaged in business development centering on object recognition and mobile, and provides the AsReader series and solution packages. By conducting research and development of its unique automatic recognition technologies, it comprehensively handles from image recognition technologies, barcode readers, RFID readers, etc. to operation of core systems and business applications.

RFID, which the company is especially focusing on, is a technology that has high possibilities to be adopted by various industries as it features (1) non-contact communication (able to read distant RF tags if they are in range of radio waves), (2) collective read (able to read RF tags in range of radio waves collectively), and (3) permeability (able to read RF tags placed in boxes, etc. without opening them as radio waves reach those inside.)

Asterisk group's major business is the AsReader business that develops and sells the AsReader series, which are its mainstay products, and it develops and sells services and products using automatic recognition technologies. It develops its business centering on barcode readers that read one-dimensional and two-dimensional barcodes by being attached to mobile terminals such as smartphones and tablets, RFID readers, and infrared communication readers that are compatible to IrDA. Other than that, the company conducts the system integration business, centering on system development to utilize the AsReader series. Sales composition in the fiscal year ended August 2020 was 76.8% for the AsReader business and 23.2% for the system integration business.

Asterisk (6522 TSE Mothers) ----- October 5,2021**Financial Statements**

Statement of income	Fiscal Year	Aug.2019		Aug.2020		Nine months to May 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		1,144	100.0	1,398	100.0	1,468	100.0
Cost of sales		586	51.2	747	53.4	747	50.9
Gross profit		558	48.8	650	46.5	720	49.0
Selling, general and administrative expenses		492	43.0	538	38.5	435	29.6
Operating profit		65	5.7	112	8.0	284	19.3
Non-operating income		0	-	0	-	5	-
Non-operating expenses		10	-	10	-	3	-
Ordinary profit		54	4.7	101	7.2	286	19.5
Profit before income taxes		68	5.9	105	7.5	312	21.3
Profit attributable to owners of parent		71	6.2	68	4.9	220	15.0

Balance sheet	Fiscal Year	Aug.2019		Aug.2020		May 2021	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		670	90.6	966	91.5	1,141	94.5
Cash and deposits		180	24.3	247	23.4	481	39.8
Accounts receivable-trade		234	31.6	342	32.4	301	24.9
Inventories		219	29.7	319	30.2	291	24.1
Non-current assets		68	9.2	90	8.5	67	5.6
Property, plant and equipment		6	0.8	32	3.0	17	1.4
Intangible assets		18	2.4	21	2.0	13	1.1
Investments and other assets		43	5.8	36	3.4	36	3.0
Total assets		739	100.0	1,056	100.0	1,208	100.0
Current liabilities		417	56.4	636	60.2	589	48.8
Accounts payable - trade		45	6.1	143	13.5	131	10.9
Short-term borrowings		200	27.0	270	25.6	61	5.0
Current portion of long-term borrowings		69	9.4	89	8.4	65	5.4
Non-current liabilities		93	12.6	123	11.7	94	7.8
Long-term borrowings		91	12.3	121	11.5	92	7.6
Net assets		228	30.9	296	28.0	525	43.5
Owners' equity		228	30.9	296	28.0	525	43.5

Statement of cash flows	Fiscal Year	Aug.2019	Aug.2020
		(mn yen)	(mn yen)
Cash flows from operating activities		16	11
Depreciation		8	27
Cash flows from investing activities		-35	-56
Cash flows from financing activities		39	119
Dividends paid		-	-
Net increase in cash and cash equivalents		19	73
Cash and cash equivalents		174	247

Note: Consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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