

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

July 29, 2022

Company name: ABHOTEL CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6565 URL <https://www.ab-hotel.jp/>
 Representative: President Kazuki Kutsuna
 Executive Officer, Accounting Department
 Inquiries: Akiyoshi Oode TEL 0566(79)3013
 director
 Scheduled date to file Quarterly Securities Report: August 5, 2022
 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, 2022 (from April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	1,889	35.2	492	–	481	–	304	–
Three months ended June 30, 2021	1,397	–	36	–	25	–	11	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	21.45	–
Three months ended June 30, 2021	0.79	–

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	20,444	6,788	33.2
As of March 31, 2022	20,441	6,540	32.0

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	–	0.00	–	4.00	4.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		0.00	–	5.00	5.00

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
Six months ending September 30, 2022	3,348	15.4	470	134.3	418	138.4	272	205.8	19.19
Full year	7,000	10.3	1,200	25.1	1,100	17.3	715	26.0	50.44

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: Yes

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, 2022	14,176,000 shares	As of March 31, 2022	14,176,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	351 shares	As of March 31, 2022	351 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	14,175,649 shares	Three months ended June 30, 2021	14,175,681 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	3,278,470	3,262,306
Accounts receivable - trade	368,012	365,556
Inventories	18,391	16,996
Other	68,261	147,593
Total current assets	3,733,135	3,792,452
Non-current assets		
Property, plant and equipment		
Buildings	13,352,382	13,711,546
Accumulated depreciation	(2,568,012)	(2,669,981)
Buildings, net	10,784,370	11,041,565
Structures	726,738	732,637
Accumulated depreciation	(277,921)	(288,760)
Structures, net	448,816	443,876
Machinery and equipment	79,974	79,974
Accumulated depreciation	(40,109)	(42,068)
Machinery and equipment, net	39,864	37,905
Tools, furniture and fixtures	264,043	265,442
Accumulated depreciation	(206,208)	(211,415)
Tools, furniture and fixtures, net	57,835	54,027
Land	989,154	1,183,541
Leased assets	4,054,940	4,200,145
Accumulated depreciation	(1,044,958)	(1,115,725)
Leased assets, net	3,009,981	3,084,420
Construction in progress	581,673	25,722
Total property, plant and equipment	15,911,696	15,871,059
Intangible assets	30,235	30,270
Investments and other assets		
Leasehold and guarantee deposits	583,675	586,004
Deferred tax assets	175,282	156,098
Other	7,022	8,433
Total investments and other assets	765,980	750,536
Total non-current assets	16,707,912	16,651,866
Total assets	20,441,048	20,444,319

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Current portion of long-term borrowings	1,525,092	1,660,004
Lease liabilities	261,821	319,341
Accounts payable - other	631,114	643,642
Income taxes payable	403,370	169,278
Contract liabilities	72,793	62,268
Other	355,835	138,501
Total current liabilities	3,250,028	2,993,036
Non-current liabilities		
Long-term borrowings	6,863,444	6,854,163
Lease liabilities	2,819,005	2,839,290
Provision for retirement benefits	1,588	1,878
Provision for retirement benefits for directors (and other officers)	34,550	36,340
Asset retirement obligations	879,579	881,996
Other	52,110	49,500
Total non-current liabilities	10,650,276	10,663,168
Total liabilities	13,900,304	13,656,204
Net assets		
Shareholders' equity		
Share capital	953,920	953,920
Capital surplus	1,387,438	1,387,438
Retained earnings	4,200,109	4,447,479
Treasury shares	(723)	(723)
Total shareholders' equity	6,540,744	6,788,114
Total net assets	6,540,744	6,788,114
Total liabilities and net assets	20,441,048	20,444,319

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	1,397,625	1,889,892
Cost of sales	1,283,158	1,287,185
Gross profit	114,466	602,706
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	11,555	17,800
Salaries and bonuses	17,811	23,519
Commission expenses	23,651	29,886
Other	24,639	38,527
Total selling, general and administrative expenses	77,657	109,733
Operating profit	36,808	492,972
Non-operating income		
Commission income	4,855	6,113
Contribution for construction	3,000	—
Miscellaneous income	3,748	5,184
Total non-operating income	11,603	11,297
Non-operating expenses		
Interest expenses	19,811	18,872
Miscellaneous losses	3,222	4,269
Total non-operating expenses	23,033	23,141
Ordinary profit	25,378	481,128
Profit before income taxes	25,378	481,128
Income taxes - current	9,923	157,871
Income taxes - deferred	4,264	19,183
Total income taxes	14,187	177,055
Profit	11,190	304,073