

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

January 31, 2023

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: director Akiyoshi Oode TEL 0566(79)3013
 Scheduled date to file Quarterly Securities Report: February 3, 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	6,490	37.4	2,199	229.5	2,157	244.3	1,313	260.6
Nine months ended December 31, 2021	4,722	–	667	757.0	626	826.5	364	726.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	92.63		–	
Nine months ended December 31, 2021	25.68		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	21,147	7,797	36.9
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	–	0.00	–		
Year ending March 31, 2023 (Forecast)				8.00	8.00

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
Full year	7,700	21.3	2,100	118.9	2,000	113.3	1,200	111.4	84.65

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 December 31, 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 December 31, 2022	382 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)

Nine months ended December 31, 2022	14,175,633 shares	Nine months ended December 31, 2021	14,175,676 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	3,278,470	4,216,882
Accounts receivable - trade	368,012	607,261
Inventories	18,391	21,810
Other	68,261	82,090
Total current assets	3,733,135	4,928,045
Non-current assets		
Property, plant and equipment		
Buildings	13,352,382	13,713,887
Accumulated depreciation	(2,568,012)	(2,873,852)
Buildings, net	10,784,370	10,840,034
Structures	726,738	732,637
Accumulated depreciation	(277,921)	(310,438)
Structures, net	448,816	422,198
Machinery and equipment	79,974	79,974
Accumulated depreciation	(40,109)	(45,986)
Machinery and equipment, net	39,864	33,987
Tools, furniture and fixtures	264,043	268,613
Accumulated depreciation	(206,208)	(222,112)
Tools, furniture and fixtures, net	57,835	46,501
Land	989,154	1,009,510
Leased assets	4,054,940	4,200,145
Accumulated depreciation	(1,044,958)	(1,257,259)
Leased assets, net	3,009,981	2,942,886
Construction in progress	581,673	113,819
Total property, plant and equipment	15,911,696	15,408,938
Intangible assets	30,235	28,817
Investments and other assets		
Leasehold and guarantee deposits	583,675	586,005
Deferred tax assets	175,282	190,475
Other	7,022	5,699
Total investments and other assets	765,980	782,180
Total non-current assets	16,707,912	16,219,936
Total assets	20,441,048	21,147,981

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Current portion of long-term borrowings	1,525,092	1,624,664
Lease liabilities	261,821	317,250
Accounts payable - other	631,114	683,593
Income taxes payable	403,370	656,912
Contract liabilities	72,793	57,775
Other	355,835	257,039
Total current liabilities	3,250,028	3,597,236
Non-current liabilities		
Long-term borrowings	6,863,444	6,071,841
Lease liabilities	2,819,005	2,705,911
Provision for retirement benefits	1,588	2,466
Provision for retirement benefits for directors (and other officers)	34,550	39,870
Asset retirement obligations	879,579	886,831
Other	52,110	46,780
Total non-current liabilities	10,650,276	9,753,700
Total liabilities	13,900,304	13,350,937
Net assets		
Shareholders' equity		
Share capital	953,920	953,920
Capital surplus	1,387,438	1,387,438
Retained earnings	4,200,109	5,456,452
Treasury shares	(723)	(766)
Total shareholders' equity	6,540,744	7,797,044
Total net assets	6,540,744	7,797,044
Total liabilities and net assets	20,441,048	21,147,981

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	4,722,949	6,490,710
Cost of sales	3,772,318	3,926,635
Gross profit	950,631	2,564,075
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	45,275	57,160
Salaries and bonuses	68,423	83,115
Commission expenses	76,143	98,169
Other	93,306	126,445
Total selling, general and administrative expenses	283,149	364,890
Operating profit	667,481	2,199,184
Non-operating income		
Commission income	16,763	19,210
Miscellaneous income	12,072	9,681
Total non-operating income	28,836	28,892
Non-operating expenses		
Interest expenses	58,154	55,305
Miscellaneous losses	11,468	15,128
Total non-operating expenses	69,623	70,434
Ordinary profit	626,694	2,157,643
Extraordinary losses		
Loss on retirement of non-current assets	–	859
Impairment losses	–	38,963
Loss on changes in construction project	15,000	–
Total extraordinary losses	15,000	39,822
Profit before income taxes	611,694	2,117,820
Income taxes - current	266,324	819,966
Income taxes - deferred	(18,728)	(15,192)
Total income taxes	247,596	804,774
Profit	364,098	1,313,046