

Translation

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

July 28, 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: August 4, 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	2,378	25.9	862	74.9	847	76.1	537	76.8
Three months ended June 30, 2022	1,889	35.2	492	–	481	–	304	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	37.92		–	
Three months ended June 30, 2022	21.45		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of June 30, 2023	21,276		8,658		40.7	
As of March 31, 2023	21,611		8,291		38.4	

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2023	–	0.00	–	12.00	12.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		0.00	–	12.00	12.00

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	4,400	10.0	1,416	19.2	1,386	19.3	859	23.6	60.62
Full year	9,000	2.3	2,960	(0.6)	2,900	(0.8)	1,800	(0.4)	126.98

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	14,176,000 shares	As of March 31, 2023	14,176,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	427 shares	As of March 31, 2023	382 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, 2023	14,175,600 shares	Three months ended June 30, 2022	14,175,649 shares
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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	4,777,649	4,565,659
Accounts receivable - trade	616,904	450,417
Inventories	22,410	24,781
Other	73,668	67,809
Total current assets	5,490,632	5,108,667
Non-current assets		
Property, plant and equipment		
Buildings	13,715,897	13,719,049
Accumulated depreciation	(2,975,852)	(3,077,890)
Buildings, net	10,740,045	10,641,158
Structures	732,564	733,736
Accumulated depreciation	(321,271)	(331,746)
Structures, net	411,293	401,990
Machinery and equipment	79,974	79,974
Accumulated depreciation	(47,946)	(49,553)
Machinery and equipment, net	32,028	30,420
Tools, furniture and fixtures	273,774	273,987
Accumulated depreciation	(227,888)	(232,190)
Tools, furniture and fixtures, net	45,886	41,797
Land	962,809	1,072,394
Leased assets	4,200,145	4,161,444
Accumulated depreciation	(1,328,026)	(1,360,009)
Leased assets, net	2,872,119	2,801,435
Construction in progress	220,950	373,043
Total property, plant and equipment	15,285,132	15,362,240
Intangible assets	28,090	31,494
Investments and other assets		
Leasehold and guarantee deposits	585,737	585,516
Deferred tax assets	216,838	183,695
Other	5,303	4,902
Total investments and other assets	807,879	774,114
Total non-current assets	16,121,102	16,167,849
Total assets	21,611,734	21,276,516

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Current portion of long-term borrowings	1,547,394	1,663,804
Lease liabilities	316,213	325,045
Accounts payable - other	702,815	682,458
Income taxes payable	954,399	287,748
Contract liabilities	82,503	87,823
Other	378,839	250,924
Total current liabilities	3,982,164	3,297,804
Non-current liabilities		
Long-term borrowings	5,720,240	5,773,679
Lease liabilities	2,638,877	2,562,397
Provision for retirement benefits	2,823	3,180
Provision for retirement benefits for directors (and other officers)	41,640	43,530
Asset retirement obligations	889,260	891,720
Other	45,670	45,830
Total non-current liabilities	9,338,511	9,320,337
Total liabilities	13,320,676	12,618,141
Net assets		
Shareholders' equity		
Share capital	953,920	953,920
Capital surplus	1,387,438	1,387,438
Retained earnings	5,950,467	6,317,902
Treasury shares	(766)	(886)
Total shareholders' equity	8,291,058	8,658,374
Total net assets	8,291,058	8,658,374
Total liabilities and net assets	21,611,734	21,276,516

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	1,889,892	2,378,741
Cost of sales	1,287,185	1,381,093
Gross profit	602,706	997,648
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	17,800	19,680
Salaries and bonuses	23,519	27,510
Commission expenses	29,886	38,289
Other	38,527	50,007
Total selling, general and administrative expenses	109,733	135,487
Operating profit	492,972	862,160
Non-operating income		
Commission income	6,113	5,872
Miscellaneous income	5,184	1,253
Total non-operating income	11,297	7,125
Non-operating expenses		
Interest expenses	18,872	16,941
Miscellaneous losses	4,269	5,112
Total non-operating expenses	23,141	22,054
Ordinary profit	481,128	847,231
Profit before income taxes	481,128	847,231
Income taxes - current	157,871	276,545
Income taxes - deferred	19,183	33,142
Total income taxes	177,055	309,688
Profit	304,073	537,542