

Translation

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

October 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: November 6, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	4,849	21.2	1,771	49.1	1,744	50.1	1,088	56.6
Six months ended September 30, 2022	4,001	37.9	1,188	491.2	1,161	561.7	695	681.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	76.81		–	
Six months ended September 30, 2022	49.05		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	22,336	9,209	41.2
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	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	0.00	–	12.00	12.00
Year ending March 31, 2024	–	0.00			
Year ending March 31, 2024 (Forecast)			–	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
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 September 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 September 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)

Six months ended September 30, 2023	14,175,587 shares	Six months ended September 30, 2022	14,175,640 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	4,777,649	5,319,914
Accounts receivable - trade	616,904	501,899
Inventories	22,410	20,036
Other	73,668	69,310
Total current assets	5,490,632	5,911,161
Non-current assets		
Property, plant and equipment		
Buildings	13,715,897	14,063,651
Accumulated depreciation	(2,975,852)	(3,181,485)
Buildings, net	10,740,045	10,882,166
Structures	732,564	759,663
Accumulated depreciation	(321,271)	(342,534)
Structures, net	411,293	417,129
Machinery and equipment	79,974	79,974
Accumulated depreciation	(47,946)	(51,161)
Machinery and equipment, net	32,028	28,812
Tools, furniture and fixtures	273,774	279,463
Accumulated depreciation	(227,888)	(236,735)
Tools, furniture and fixtures, net	45,886	42,727
Land	962,809	1,260,175
Leased assets	4,200,145	4,317,606
Accumulated depreciation	(1,328,026)	(1,432,270)
Leased assets, net	2,872,119	2,885,335
Construction in progress	220,950	79,145
Total property, plant and equipment	15,285,132	15,595,491
Intangible assets	28,090	32,010
Investments and other assets		
Leasehold and guarantee deposits	585,737	585,297
Deferred tax assets	216,838	207,754
Other	5,303	4,497
Total investments and other assets	807,879	797,549
Total non-current assets	16,121,102	16,425,051
Total assets	21,611,734	22,336,212

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Current portion of long-term borrowings	1,547,394	1,671,004
Lease liabilities	316,213	333,271
Accounts payable - other	702,815	769,081
Income taxes payable	954,399	679,731
Contract liabilities	82,503	74,537
Other	378,839	178,332
Total current liabilities	3,982,164	3,705,957
Non-current liabilities		
Long-term borrowings	5,720,240	5,796,808
Lease liabilities	2,638,877	2,639,884
Provision for retirement benefits	2,823	3,462
Provision for retirement benefits for directors (and other officers)	41,640	45,520
Asset retirement obligations	889,260	894,181
Other	45,670	40,670
Total non-current liabilities	9,338,511	9,420,525
Total liabilities	13,320,676	13,126,483
Net assets		
Shareholders' equity		
Share capital	953,920	953,920
Capital surplus	1,387,438	1,387,438
Retained earnings	5,950,467	6,869,257
Treasury shares	(766)	(886)
Total shareholders' equity	8,291,058	9,209,728
Total net assets	8,291,058	9,209,728
Total liabilities and net assets	21,611,734	22,336,212

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	4,001,566	4,849,797
Cost of sales	2,580,639	2,799,183
Gross profit	1,420,926	2,050,614
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	37,480	39,720
Salaries and bonuses	52,255	55,732
Commission expenses	64,045	82,564
Other	78,981	101,284
Total selling, general and administrative expenses	232,762	279,300
Operating profit	1,188,163	1,771,314
Non-operating income		
Commission income	12,916	12,869
Miscellaneous income	7,106	3,832
Total non-operating income	20,023	16,702
Non-operating expenses		
Interest expenses	37,426	33,934
Miscellaneous losses	8,992	9,710
Total non-operating expenses	46,418	43,644
Ordinary profit	1,161,767	1,744,371
Extraordinary losses		
Loss on retirement of non-current assets	859	–
Impairment losses	38,963	–
Total extraordinary losses	39,822	–
Profit before income taxes	1,121,944	1,744,371
Income taxes - current	435,453	646,390
Income taxes - deferred	(8,860)	9,084
Total income taxes	426,592	655,474
Profit	695,351	1,088,897