

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

## Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

January 31, 2024

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 6, 2024  
 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, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	7,509	15.7	2,816	28.1	2,778	28.8	1,731	31.8
Nine months ended December 31, 2022	6,490	37.4	2,199	229.5	2,157	244.3	1,313	260.6

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	122.12		–	
Nine months ended December 31, 2022	92.63		–	

(2) Non-consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2023	22,405		9,851		44.0	
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	–	0.00	–		
Year ending March 31, 2024 (Forecast)				14.00	14.00

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	9,700	10.2	3,500	17.6	3,400	16.3	2,100	16.2	148.14

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 December 31, 2023	14,176,000 shares	As of March 31, 2023	14,176,000 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2023	427 shares	As of March 31, 2023	382 shares
-------------------------	------------	----------------------	------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2023	14,175,582 shares	Nine months ended December 31, 2022	14,175,633 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	4,777,649	5,287,165
Accounts receivable - trade	616,904	512,502
Inventories	22,410	27,049
Other	73,668	78,241
<b>Total current assets</b>	<b>5,490,632</b>	<b>5,904,958</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	13,715,897	14,065,678
Accumulated depreciation	(2,975,852)	(3,285,845)
Buildings, net	10,740,045	10,779,832
Structures	732,564	759,663
Accumulated depreciation	(321,271)	(353,480)
Structures, net	411,293	406,183
Machinery and equipment	79,974	79,974
Accumulated depreciation	(47,946)	(52,769)
Machinery and equipment, net	32,028	27,204
Tools, furniture and fixtures	273,774	279,463
Accumulated depreciation	(227,888)	(241,519)
Tools, furniture and fixtures, net	45,886	37,944
Land	962,809	1,402,380
Leased assets	4,200,145	4,317,606
Accumulated depreciation	(1,328,026)	(1,505,403)
Leased assets, net	2,872,119	2,812,202
Construction in progress	220,950	200,115
<b>Total property, plant and equipment</b>	<b>15,285,132</b>	<b>15,665,862</b>
Intangible assets	28,090	31,048
<b>Investments and other assets</b>		
Leasehold and guarantee deposits	585,737	585,105
Deferred tax assets	216,838	200,440
Other	5,303	18,102
<b>Total investments and other assets</b>	<b>807,879</b>	<b>803,648</b>
<b>Total non-current assets</b>	<b>16,121,102</b>	<b>16,500,559</b>
<b>Total assets</b>	<b>21,611,734</b>	<b>22,405,518</b>

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Short-term borrowings	–	130,000
Current portion of long-term borrowings	1,547,394	1,595,756
Lease liabilities	316,213	332,109
Accounts payable - other	702,815	786,074
Income taxes payable	954,399	502,028
Contract liabilities	82,503	79,697
Other	378,839	208,994
<b>Total current liabilities</b>	<b>3,982,164</b>	<b>3,634,659</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,720,240	5,362,501
Lease liabilities	2,638,877	2,570,091
Provision for retirement benefits	2,823	3,743
Provision for retirement benefits for directors (and other officers)	41,640	47,460
Asset retirement obligations	889,260	896,642
Other	45,670	38,510
<b>Total non-current liabilities</b>	<b>9,338,511</b>	<b>8,918,948</b>
<b>Total liabilities</b>	<b>13,320,676</b>	<b>12,553,608</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	953,920	953,920
Capital surplus	1,387,438	1,387,438
Retained earnings	5,950,467	7,511,437
Treasury shares	(766)	(886)
<b>Total shareholders' equity</b>	<b>8,291,058</b>	<b>9,851,909</b>
<b>Total net assets</b>	<b>8,291,058</b>	<b>9,851,909</b>
<b>Total liabilities and net assets</b>	<b>21,611,734</b>	<b>22,405,518</b>

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	6,490,710	7,509,366
Cost of sales	3,926,635	4,264,447
Gross profit	2,564,075	3,244,918
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	57,160	59,760
Salaries and bonuses	83,115	85,230
Commission expenses	98,169	128,540
Other	126,445	154,709
Total selling, general and administrative expenses	364,890	428,240
Operating profit	2,199,184	2,816,678
Non-operating income		
Commission income	19,210	19,096
Miscellaneous income	9,681	7,684
Total non-operating income	28,892	26,781
Non-operating expenses		
Interest expenses	55,305	50,759
Miscellaneous losses	15,128	14,441
Total non-operating expenses	70,434	65,201
Ordinary profit	2,157,643	2,778,257
Extraordinary losses		
Loss on retirement of non-current assets	859	–
Impairment losses	38,963	–
Total extraordinary losses	39,822	–
Profit before income taxes	2,117,820	2,778,257
Income taxes - current	819,966	1,030,782
Income taxes - deferred	(15,192)	16,397
Total income taxes	804,774	1,047,180
Profit	1,313,046	1,731,077