

Translation

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

August 10, 2023

Company name: ECONACH HOLDINGS CO.,LTD.
 Stock exchange listing: Tokyo
 Stock code: 3521 URL <https://www.econach.co.jp/>
 Representative: Representative Director and President Ryuta Suzuki
 Inquiries: Administration Department Yoshiyuki Nomura TEL 03-6418-4391
 Scheduled date to file Quarterly Securities Report: August 10, 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. Consolidated financial results for the three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2023	453	51.3	(15)	–	(16)	–	(27)	–
Three months ended June 30, 2022	299	224.9	(8)	–	(8)	–	(10)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	(0.51)		–	
Three months ended June 30, 2022	(0.20)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	5,950	4,605	77.4
As of March 31, 2023	6,108	4,632	75.8

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	0.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	0.00	0.00

3. Forecast of 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 attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,340	66.3	310	–	300	–	200	291.8	3.78

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) 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	52,932,733 shares	As of March 31, 2023	52,932,733 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	16,786 shares	As of March 31, 2023	16,786 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	52,915,947 shares	Three months ended June 30, 2022	52,915,947 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	1,009,394	1,012,022
Accounts receivable - trade	61,218	67,256
Merchandise	493	742
Supplies	39,175	1,507
Other	96,652	19,377
Allowance for doubtful accounts	(2,207)	(2,334)
Total current assets	1,204,726	1,098,570
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,517,153	2,605,067
Machinery, equipment and vehicles, net	44,375	48,108
Tools, furniture and fixtures, net	41,025	108,751
Land	1,834,794	1,834,794
Construction in progress	215,538	–
Total property, plant and equipment	4,652,886	4,596,720
Intangible assets		
Leasehold interests in land	83,445	83,445
Software	70	4,895
Telephone subscription right	1,528	1,528
Total intangible assets	85,044	89,869
Investments and other assets		
Investment securities	600	600
Other	167,602	167,229
Allowance for doubtful accounts	(2,208)	(2,205)
Total investments and other assets	165,994	165,624
Total non-current assets	4,903,925	4,852,214
Total assets	6,108,651	5,950,785

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	30,098	32,269
Current portion of long-term borrowings	150,948	156,974
Accounts payable - other	151,757	135,948
Income taxes payable	90,419	11,713
Contract liabilities	7,479	8,448
Advances received	2,843	5,017
Provision for bonuses	5,676	6,655
Provision for shareholder benefit program	1,348	833
Other	42,557	33,625
Total current liabilities	483,129	391,485
Non-current liabilities		
Long-term borrowings	788,848	749,610
Deferred tax liabilities	29,354	28,644
Deferred tax liabilities for land revaluation	10,052	10,052
Asset retirement obligations	160,761	161,203
Long-term deposits received	3,793	4,143
Total non-current liabilities	992,810	953,654
Total liabilities	1,475,939	1,345,140
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	4,235,309	4,235,309
Retained earnings	280,628	253,561
Treasury shares	(2,235)	(2,235)
Total shareholders' equity	4,613,701	4,586,635
Accumulated other comprehensive income		
Revaluation reserve for land	19,010	19,010
Total accumulated other comprehensive income	19,010	19,010
Total net assets	4,632,711	4,605,645
Total liabilities and net assets	6,108,651	5,950,785

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	299,520	453,059
Cost of sales	246,930	428,792
Gross profit	52,590	24,266
Selling, general and administrative expenses	60,784	40,009
Operating loss	(8,194)	(15,743)
Non-operating income		
Bounty income	1,000	–
Rental income from non-current assets	384	384
Subsidy income	–	897
Other	750	429
Total non-operating income	2,134	1,711
Non-operating expenses		
Interest expenses	2,731	2,330
Other	13	75
Total non-operating expenses	2,745	2,406
Ordinary loss	(8,805)	(16,438)
Extraordinary income		
Subsidy income	4,997	–
Total extraordinary income	4,997	–
Loss before income taxes	(3,807)	(16,438)
Income taxes - current	3,935	11,338
Income taxes - deferred	2,984	(710)
Total income taxes	6,920	10,628
Loss	(10,727)	(27,066)
Loss attributable to owners of parent	(10,727)	(27,066)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Loss	(10,727)	(27,066)
Other comprehensive income		
Revaluation reserve for land	(1,153)	–
Total other comprehensive income	(1,153)	–
Comprehensive income	(11,881)	(27,066)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(11,881)	(27,066)
Comprehensive income attributable to non-controlling interests	–	–