

Translation

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Summary of Consolidated Financial Results for the Three Months Ended December 31, 2023 (Based on Japanese GAAP)

February 9, 2024

Company name: CE Holdings Co.,Ltd.
 Stock exchange listing: Tokyo, Sapporo
 Stock code: 4320 URL <https://www.ce-hd.co.jp>
 Representative: Representative Director and President & CEO(Chief Executive Officer) Naokazu Saito
 Inquiries: Director & CFO(Chief Financial Officer) Tsunehito Taguchi TEL 011(861)1600
 Scheduled date to file Quarterly Securities Report: February 9, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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 December 31, 2023 (from October 1, 2023 to December 31, 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 December 31, 2023	3,170	3.1	187	(4.3)	192	(1.6)	45	(54.1)
Three months ended December 31, 2022	3,076	9.0	195	72.4	195	69.2	98	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2023	3.01		–	
Three months ended December 31, 2022	6.53		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	10,277	6,370	57.7
As of September 30, 2023	11,244	6,583	54.1

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2023	–	0.00	–	14.00	14.00
Year ending September 30, 2024	–				
Year ending September 30, 2024 (Forecast)		0.00	–	15.00	15.00

3. Forecast of consolidated financial results for the year ending September 30, 2024 (from October 1, 2023 to September 30, 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
Six months ending March 31, 2024	7,990	8.8	660	(21.4)	660	(21.2)	320	(35.3)	21.41
Full year	15,500	13.7	1,350	7.6	1,350	7.4	750	9.1	50.17

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 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 December 31, 2023	15,367,600 shares	As of September 30, 2023	15,347,600 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	398,163 shares	As of September 30, 2023	398,114 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2023	14,951,871 shares	Three months ended December 31, 2022	15,033,389 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	3,138,112	1,986,543
Notes and accounts receivable - trade, and contract assets	3,379,750	3,410,955
Merchandise and finished goods	3,575	2,632
Work in process	230,817	357,551
Raw materials and supplies	1,437	1,530
Accounts receivable - other	2,782	4,757
Other	312,179	386,682
Allowance for doubtful accounts	(12,900)	(10,329)
Total current assets	7,055,754	6,140,324
Non-current assets		
Property, plant and equipment	1,891,370	1,873,006
Intangible assets		
Goodwill	305,119	294,226
Other	892,394	984,444
Total intangible assets	1,197,514	1,278,670
Investments and other assets		
Investment securities	439,809	442,009
Other	659,912	543,946
Allowance for doubtful accounts	(360)	(360)
Total investments and other assets	1,099,361	985,596
Total non-current assets	4,188,246	4,137,273
Total assets	11,244,000	10,277,598
Liabilities		
Current liabilities		
Accounts payable - trade	1,356,065	900,208
Short-term borrowings	200,000	490,000
Current portion of long-term borrowings	557,149	482,152
Accounts payable - other	300,975	213,180
Income taxes payable	262,036	18,912
Provision for bonuses	316,615	127,058
Contract liabilities	289,309	332,098
Other	338,470	409,343
Total current liabilities	3,620,622	2,972,954
Non-current liabilities		
Long-term borrowings	660,712	549,956
Retirement benefit liability	206,355	215,877
Other	173,209	168,278
Total non-current liabilities	1,040,277	934,111
Total liabilities	4,660,899	3,907,066

(Thousands of yen)

	As of September 30, 2023	As of December 31, 2023
Net assets		
Shareholders' equity		
Share capital	1,218,077	1,224,092
Capital surplus	1,243,929	1,249,944
Retained earnings	3,798,845	3,634,632
Treasury shares	(200,373)	(200,404)
Total shareholders' equity	6,060,479	5,908,265
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	19,114	23,838
Total accumulated other comprehensive income	19,114	23,838
Share acquisition rights	–	3,720
Non-controlling interests	503,507	434,707
Total net assets	6,583,101	6,370,531
Total liabilities and net assets	11,244,000	10,277,598

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

(Thousands of yen)

	Three months ended December 31, 2022	Three months ended December 31, 2023
Net sales	3,076,370	3,170,453
Cost of sales	2,292,998	2,397,662
Gross profit	783,371	772,790
Selling, general and administrative expenses	587,660	585,572
Operating profit	195,710	187,217
Non-operating income		
Interest income	4	4
Dividend income	945	810
Subsidy income	1,197	4,423
Other	2,457	2,404
Total non-operating income	4,604	7,641
Non-operating expenses		
Interest expenses	1,759	1,432
Foreign exchange losses	1,897	429
Other	1,054	466
Total non-operating expenses	4,710	2,328
Ordinary profit	195,604	192,530
Extraordinary income		
Gain on redemption of investment securities	120	120
Total extraordinary income	120	120
Extraordinary losses		
Loss on retirement of non-current assets	1,582	–
Total extraordinary losses	1,582	–
Profit before income taxes	194,141	192,650
Income taxes - current	29,894	20,870
Income taxes - deferred	71,820	125,429
Total income taxes	101,715	146,300
Profit	92,426	46,349
Profit attributable to		
Profit attributable to owners of parent	98,134	45,079
Profit (loss) attributable to non-controlling interests	(5,707)	1,270
Other comprehensive income		
Valuation difference on available-for-sale securities	508	4,723
Total other comprehensive income	508	4,723
Comprehensive income	92,934	51,073
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	98,642	49,802
Comprehensive income attributable to non-controlling interests	(5,707)	1,270