

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended February 28, 2022 (Based on Japanese GAAP)

April 13, 2022

Company name: E·J Holdings Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 2153 URL <https://www.ej-hds.co.jp>  
 Representative: President Yuji Kotani  
 Inquiries: Director Masanori Hamano TEL 086(252)7520  
 Scheduled date to file Quarterly Securities Report: April 14, 2022  
 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 nine months ended February 28, 2022 (from June 1, 2021 to February 28, 2022)

(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	%
Nine months ended February 28, 2022	14,980	–	(217)	–	(80)	–	(185)	–
Nine months ended February 28, 2021	14,207	22.7	(398)	–	(206)	–	(248)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended February 28, 2022	(11.70)	–
Nine months ended February 28, 2021	(17.12)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of February 28, 2022	37,102	24,231	65.3
As of May 31, 2021	37,513	25,497	68.0

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 May 31, 2021	–	0.00	–	35.00	35.00
Year ending May 31, 2022	–	0.00	–		
Year ending May 31, 2022 (Forecast)				40.00	40.00

3. Forecast of consolidated financial results for the year ending May 31, 2022 (from June 1, 2021 to May 31, 2022)

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	35,000	–	3,900	–	4,100	–	2,800	–	177.13

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended February 28, 2022  
(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: Yes
- 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 February 28, 2022	16,078,920 shares	As of May 31, 2021	16,078,920 shares
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Number of treasury shares at the end of the period

As of February 28, 2022	467,324 shares	As of May 31, 2021	158,502 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended February 28, 2022	15,866,516 shares	Nine months ended February 28, 2021	14,534,204 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of May 31, 2021	As of February 28, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	18,975	8,737
Notes and accounts receivable - trade	3,748	–
Notes and accounts receivable - trade, and contract assets	–	5,032
Inventories	3,219	9,647
Other	541	2,133
Allowance for doubtful accounts	(4)	(5)
Total current assets	26,480	25,546
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,416	2,360
Land	2,315	2,323
Other, net	522	612
Total property, plant and equipment	5,254	5,296
Intangible assets		
Goodwill	987	893
Other	260	315
Total intangible assets	1,248	1,209
Investments and other assets		
Investment securities	2,693	2,770
Bad debts	0	0
Investment property, net	441	435
Deferred tax assets	357	643
Retirement benefit asset	80	120
Other	1,082	1,206
Allowance for doubtful accounts	(125)	(126)
Total investments and other assets	4,529	5,051
Total non-current assets	11,032	11,556
Total assets	37,513	37,102

(Millions of yen)

	As of May 31, 2021	As of February 28, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - operating	834	1,176
Short-term borrowings	–	4,000
Current portion of bonds payable	50	–
Current portion of long-term borrowings	305	213
Income taxes payable	1,120	104
Advances received on service contracts in progress	4,034	–
Contract liabilities	–	4,473
Provision for bonuses	–	709
Provision for bonuses for directors (and other officers)	33	–
Provision for loss on order received	232	239
Other	4,111	863
<b>Total current liabilities</b>	<b>10,721</b>	<b>11,781</b>
<b>Non-current liabilities</b>		
Long-term borrowings	572	411
Deferred tax liabilities	53	39
Retirement benefit liability	357	288
Provision for share awards for directors (and other officers)	52	68
Provision for Employee Stock Ownership Plan Trust	21	27
Long-term accounts payable - other	197	188
Provision for loss on guarantees	13	11
Other	26	54
<b>Total non-current liabilities</b>	<b>1,294</b>	<b>1,089</b>
<b>Total liabilities</b>	<b>12,015</b>	<b>12,871</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	2,803	2,803
Capital surplus	4,387	4,379
Retained earnings	17,593	16,742
Treasury shares	(84)	(471)
<b>Total shareholders' equity</b>	<b>24,700</b>	<b>23,454</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	510	522
Foreign currency translation adjustment	(0)	(0)
Remeasurements of defined benefit plans	280	248
<b>Total accumulated other comprehensive income</b>	<b>790</b>	<b>770</b>
<b>Non-controlling interests</b>	<b>7</b>	<b>7</b>
<b>Total net assets</b>	<b>25,497</b>	<b>24,231</b>
<b>Total liabilities and net assets</b>	<b>37,513</b>	<b>37,102</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended February 28, 2021	Nine months ended February 28, 2022
Net sales	14,207	14,980
Cost of sales	9,511	9,907
Gross profit	4,695	5,073
Selling, general and administrative expenses	5,094	5,291
Operating loss	(398)	(217)
Non-operating income		
Interest income	4	10
Dividend income	24	29
Share of profit of entities accounted for using equity method	163	66
Rental income from real estate	23	24
Other	56	59
Total non-operating income	272	190
Non-operating expenses		
Interest expenses	7	7
Rental expenses on real estate	18	16
Guarantee commission	8	6
Provision of allowance for doubtful accounts	7	2
Share issuance costs	17	–
Settlement package	–	10
Other	20	10
Total non-operating expenses	79	53
Ordinary loss	(206)	(80)
Extraordinary losses		
Loss on retirement of non-current assets	12	1
Loss on valuation of investment securities	9	–
Loss on sale of investment securities	4	–
Total extraordinary losses	26	1
Loss before income taxes	(233)	(82)
Income taxes - current	328	356
Income taxes - deferred	(313)	(252)
Total income taxes	15	103
Loss	(248)	(185)
Loss attributable to owners of parent	(248)	(185)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended February 28, 2021	Nine months ended February 28, 2022
Loss	(248)	(185)
Other comprehensive income		
Valuation difference on available-for-sale securities	69	12
Foreign currency translation adjustment	(0)	(0)
Remeasurements of defined benefit plans, net of tax	(14)	(32)
Total other comprehensive income	54	(20)
Comprehensive income	(193)	(205)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(194)	(206)
Comprehensive income attributable to non-controlling interests	0	0