

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 10, 2022

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, 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 three months ended June 30, 2022 (from April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	299	224.9	(8)	–	(8)	–	(10)	–
Three months ended June 30, 2021	92	–	(52)	–	(55)	–	(83)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	(0.20)		–	
Three months ended June 30, 2021	(1.96)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	5,989	4,570	76.3
As of March 31, 2022	6,099	4,582	75.1

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, 2022	–	–	–	0.00	0.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	1,846	145.8	231	–	207	–	123	–	2.32

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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: 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, 2022	52,932,733 shares	As of March 31, 2022	52,932,733 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	16,786 shares	As of March 31, 2022	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, 2022	52,915,947 shares	Three months ended June 30, 2021	42,711,947 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	1,931,013	1,449,049
Accounts receivable - trade	42,466	49,140
Merchandise	107	48
Supplies	149	168
Other	11,546	13,706
Allowance for doubtful accounts	(2,541)	(3,391)
Total current assets	1,982,742	1,508,721
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,841,375	1,808,591
Machinery, equipment and vehicles, net	50,045	47,742
Tools, furniture and fixtures, net	23,287	22,289
Land	1,834,794	1,834,794
Construction in progress	114,312	510,862
Total property, plant and equipment	3,863,814	4,224,279
Intangible assets		
Leasehold interests in land	85,248	85,248
Software	185	1,106
Telephone subscription right	1,528	1,528
Right to use facilities	–	2,712
Total intangible assets	86,962	90,595
Investments and other assets		
Investment securities	600	600
Other	172,922	172,917
Allowance for doubtful accounts	(7,148)	(7,143)
Total investments and other assets	166,373	166,373
Total non-current assets	4,117,150	4,481,248
Total assets	6,099,893	5,989,970

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	20,788	27,131
Current portion of long-term borrowings	118,404	123,266
Accounts payable - other	30,280	46,371
Income taxes payable	63,472	3,935
Contract liabilities	4,835	5,426
Advances received	2,764	4,949
Provision for bonuses	1,437	4,120
Provision for shareholder benefit program	1,081	847
Other	35,213	30,883
<b>Total current liabilities</b>	<b>278,278</b>	<b>246,931</b>
<b>Non-current liabilities</b>		
Long-term borrowings	939,796	906,584
Deferred tax liabilities	44,099	47,084
Deferred tax liabilities for land revaluation	8,899	10,052
Asset retirement obligations	204,111	204,549
Long-term deposits received	41,892	3,833
<b>Total non-current liabilities</b>	<b>1,238,798</b>	<b>1,172,103</b>
<b>Total liabilities</b>	<b>1,517,077</b>	<b>1,419,035</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	543,874	543,874
Capital surplus	3,791,435	3,791,435
Retained earnings	229,578	218,850
Treasury shares	(2,235)	(2,235)
<b>Total shareholders' equity</b>	<b>4,562,652</b>	<b>4,551,924</b>
<b>Accumulated other comprehensive income</b>		
Revaluation reserve for land	20,163	19,010
<b>Total accumulated other comprehensive income</b>	<b>20,163</b>	<b>19,010</b>
<b>Total net assets</b>	<b>4,582,816</b>	<b>4,570,934</b>
<b>Total liabilities and net assets</b>	<b>6,099,893</b>	<b>5,989,970</b>

**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, 2021	Three months ended June 30, 2022
Net sales	92,187	299,520
Cost of sales	106,917	246,930
Gross profit (loss)	(14,729)	52,590
Selling, general and administrative expenses	37,772	60,784
Operating loss	(52,501)	(8,194)
Non-operating income		
Bounty income	–	1,000
Rental income from non-current assets	384	384
Reversal of allowance for doubtful accounts	128	–
Other	35	750
Total non-operating income	548	2,134
Non-operating expenses		
Interest expenses	3,130	2,731
Other	6	13
Total non-operating expenses	3,137	2,745
Ordinary loss	(55,091)	(8,805)
Extraordinary income		
Subsidy income	3,971	4,997
Total extraordinary income	3,971	4,997
Extraordinary losses		
Loss related to COVID-19	32,909	–
Total extraordinary losses	32,909	–
Loss before income taxes	(84,029)	(3,807)
Income taxes - current	350	3,935
Income taxes - deferred	(720)	2,984
Total income taxes	(370)	6,920
Loss	(83,659)	(10,727)
Loss attributable to owners of parent	(83,659)	(10,727)

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

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Loss	(83,659)	(10,727)
Other comprehensive income		
Revaluation reserve for land	–	(1,153)
Total other comprehensive income	–	(1,153)
Comprehensive income	(83,659)	(11,881)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(83,659)	(11,881)
Comprehensive income attributable to non-controlling interests	–	–