

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

August 5, 2022

Company name: RESOL HOLDINGS CO., Ltd.
 Stock exchange listing: Tokyo
 Stock code: 5261 URL <https://www.resol.jp>
 Representative: Representative Director, President Masaru Osawa
 Inquiries: Manager of the Accounting Department Takeo Oikawa TEL 03-3344-8861
 Scheduled date to file Quarterly Securities Report: August 12, 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	8,236	152.6	1,370	–	1,338	–	801	–
Three months ended June 30, 2021	3,260	54.1	(628)	–	(527)	–	(691)	–

Note: Comprehensive income Three months ended June 30, 2022 ¥791 million [–%]
 Three months ended June 30, 2021 ¥(691) million [–%]

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	144.25		–	
Three months ended June 30, 2021	(124.48)		–	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Millions of yen		Millions of yen		%		Yen	
As of June 30, 2022	38,080		14,194		36.7		2,516.80	
As of March 31, 2022	39,056		13,680		34.5		2,422.66	

Reference: Equity As of June 30, 2022 ¥13,980 million
 As of March 31, 2022 ¥13,457 million

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
Year ended March 31, 2022	–	0.00	–	50.00	50.00
Year ending March 31, 2023	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	–	–

Note: Revisions to the cash dividend forecasts most recently announced: None

The cash dividend forecast for the fiscal year ending March 31, 2023 is undetermined at this time.

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

The consolidated financial results forecasts for the fiscal year ending March 31, 2023, have not yet been determined as it is difficult at this stage to rationally estimate the impact of the novel coronavirus disease (COVID-19). The Company will disclose the results forecasts as soon as it becomes possible to reasonably calculate them while assessing the impact of COVID-19.

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	5,564,200 shares	As of March 31, 2022	5,564,200 shares
---------------------	------------------	----------------------	------------------

Number of treasury shares at the end of the period

As of June 30, 2022	9,372 shares	As of March 31, 2022	9,372 shares
---------------------	--------------	----------------------	--------------

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

Three months ended June 30, 2022	5,554,828 shares	Three months ended June 30, 2021	5,554,290 shares
----------------------------------	------------------	----------------------------------	------------------

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of forecasts of financial results, and other special matters

(Caution concerning forward-looking statements)

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and on certain assumptions deemed to be reasonable. These statements do not purport that the Company pledges to realize such statements. Actual performance and other results may differ materially due to various factors.

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	3,452,681	4,708,227
Trade accounts receivable, net	1,098,443	800,555
Merchandise	100,250	99,625
Real estate for sale	4,571,767	2,477,107
Supplies	74,021	78,822
Other	1,377,037	1,221,766
Total current assets	10,674,201	9,386,105
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,132,532	6,114,857
Land	13,514,523	13,520,389
Other, net	2,756,837	3,095,428
Total property, plant and equipment	22,403,892	22,730,675
Intangible assets		
Goodwill	448,339	427,378
Other	356,523	356,846
Total intangible assets	804,863	784,225
Investments and other assets		
Total investments and other assets	5,173,447	5,179,135
Total non-current assets	28,382,203	28,694,035
Total assets	39,056,405	38,080,140

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Trade accounts payable	269,874	300,871
Short-term borrowings	4,500,000	4,747,140
Current portion of long-term borrowings	4,440,608	3,350,832
Income taxes payable	721,307	853,656
Provision for bonuses	148,412	93,900
Provision for bonuses for directors (and other officers)	11,000	11,000
Other	4,044,912	3,465,948
Total current liabilities	14,136,114	12,823,348
Non-current liabilities		
Long-term borrowings	6,611,196	6,560,661
Guarantee deposits received	2,109,568	2,062,595
Retirement benefit liability	447,422	435,886
Provision for special compensations	9,850	9,850
Asset retirement obligations	398,553	199,735
Other	1,663,099	1,793,670
Total non-current liabilities	11,239,690	11,062,398
Total liabilities	25,375,805	23,885,746
Net assets		
Shareholders' equity		
Share capital	3,948,088	3,948,088
Capital surplus	2,663,333	2,663,333
Retained earnings	6,868,424	7,391,978
Treasury shares	(22,637)	(22,637)
Total shareholders' equity	13,457,207	13,980,761
Accumulated other comprehensive income		
Remeasurements of defined benefit plans	266	(374)
Total accumulated other comprehensive income	266	(374)
Non-controlling interests	223,125	214,006
Total net assets	13,680,600	14,194,394
Total liabilities and net assets	39,056,405	38,080,140

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	3,260,117	8,236,571
Cost of sales	1,269,634	3,875,996
Gross profit	1,990,483	4,360,574
Selling, general and administrative expenses	2,618,972	2,989,818
Operating profit (loss)	(628,488)	1,370,756
Non-operating income		
Interest income	0	1
Rental income	2,626	1,476
Subsidies for employment adjustment	93,279	16,678
Refund income	313	1,151
Other	61,014	34,647
Total non-operating income	157,233	53,955
Non-operating expenses		
Interest expenses	40,691	39,356
Commission expenses	10,682	44,107
Other	5,346	3,234
Total non-operating expenses	56,720	86,698
Ordinary profit (loss)	(527,976)	1,338,013
Extraordinary income		
Gain on sale of non-current assets	136	17,791
Other	–	437
Total extraordinary income	136	18,229
Extraordinary losses		
Loss on sale of non-current assets	–	577
Loss on retirement of non-current assets	670	1,306
Loss due to new corona virus infection	126,617	–
Other	–	1,687
Total extraordinary losses	127,287	3,570
Profit (loss) before income taxes	(655,127)	1,352,672
Income taxes - current	38,278	573,438
Income taxes - deferred	(1,036)	(12,942)
Total income taxes	37,242	560,495
Profit (loss)	(692,369)	792,176
Loss attributable to non-controlling interests	(960)	(9,118)
Profit (loss) attributable to owners of parent	(691,409)	801,295

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit (loss)	(692,369)	792,176
Other comprehensive income		
Remeasurements of defined benefit plans, net of tax	380	(640)
Total other comprehensive income	380	(640)
Comprehensive income	(691,988)	791,535
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(691,028)	800,654
Comprehensive income attributable to non-controlling interests	(960)	(9,118)