

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 9, 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: February 9, 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 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 December 31, 2022	1,034	106.7	(44)	–	(50)	–	(54)	–
Nine months ended December 31, 2021	500	13.9	(89)	–	(96)	–	(20)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	(1.03)		–	
Nine months ended December 31, 2021	(0.49)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	5,951	4,527	76.1
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 nine months ended December 31, 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2022	52,915,947 shares	Nine months ended December 31, 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 December 31, 2022
Assets		
Current assets		
Cash and deposits	1,931,013	868,540
Accounts receivable - trade	42,466	79,657
Merchandise	107	1,555
Supplies	149	1,471
Other	11,546	70,261
Allowance for doubtful accounts	(2,541)	(2,448)
Total current assets	1,982,742	1,019,038
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,841,375	1,894,512
Machinery, equipment and vehicles, net	50,045	74,610
Tools, furniture and fixtures, net	23,287	48,675
Land	1,834,794	1,834,794
Construction in progress	114,312	808,507
Total property, plant and equipment	3,863,814	4,661,100
Intangible assets		
Leasehold interests in land	85,248	96,149
Software	185	3,612
Telephone subscription right	1,528	1,528
Other	–	2,620
Total intangible assets	86,962	103,910
Investments and other assets		
Investment securities	600	600
Other	172,922	168,885
Allowance for doubtful accounts	(7,148)	(2,211)
Total investments and other assets	166,373	167,273
Total non-current assets	4,117,150	4,932,284
Total assets	6,099,893	5,951,323

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	20,788	39,078
Current portion of long-term borrowings	118,404	146,568
Accounts payable - other	30,280	55,702
Income taxes payable	63,472	6,665
Contract liabilities	4,835	6,795
Advances received	2,764	4,239
Provision for bonuses	1,437	1,532
Provision for shareholder benefit program	1,081	591
Other	35,213	51,616
Total current liabilities	278,278	312,790
Non-current liabilities		
Long-term borrowings	939,796	834,364
Deferred tax liabilities	44,099	45,032
Deferred tax liabilities for land revaluation	8,899	10,052
Asset retirement obligations	204,111	218,401
Long-term deposits received	41,892	3,593
Total non-current liabilities	1,238,798	1,111,443
Total liabilities	1,517,077	1,424,233
Net assets		
Shareholders' equity		
Share capital	543,874	100,000
Capital surplus	3,791,435	4,235,309
Retained earnings	229,578	175,005
Treasury shares	(2,235)	(2,235)
Total shareholders' equity	4,562,652	4,508,079
Accumulated other comprehensive income		
Revaluation reserve for land	20,163	19,010
Total accumulated other comprehensive income	20,163	19,010
Total net assets	4,582,816	4,527,089
Total liabilities and net assets	6,099,893	5,951,323

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Net sales	500,219	1,034,055
Cost of sales	483,349	928,634
Gross profit	16,870	105,421
Selling, general and administrative expenses	106,221	150,080
Operating loss	(89,351)	(44,659)
Non-operating income		
Interest income	5	8
Bounty income	–	1,000
Commission income	428	1,335
Rental income from non-current assets	384	384
Consumption taxes refund	1,324	–
Other	444	385
Total non-operating income	2,587	3,113
Non-operating expenses		
Interest expenses	9,160	7,932
Other	167	693
Total non-operating expenses	9,327	8,626
Ordinary loss	(96,090)	(50,171)
Extraordinary income		
Subsidy income	9,176	5,899
Settlement income	116,555	–
Total extraordinary income	125,732	5,899
Extraordinary losses		
Loss related to COVID-19	32,909	–
Loss on retirement of non-current assets	0	–
Total extraordinary losses	32,909	–
Loss before income taxes	(3,268)	(44,271)
Income taxes - current	21,682	9,368
Income taxes - refund	(2,041)	–
Income taxes - deferred	(2,140)	932
Total income taxes	17,499	10,300
Loss	(20,768)	(54,572)
Loss attributable to owners of parent	(20,768)	(54,572)

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Loss	(20,768)	(54,572)
Other comprehensive income		
Revaluation reserve for land	–	(1,153)
Total other comprehensive income	–	(1,153)
Comprehensive income	(20,768)	(55,726)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(20,768)	(55,726)
Comprehensive income attributable to non-controlling interests	–	–