

Translation

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

February 10, 2023

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 10, 2023
 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, 2022 (from October 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	%
Three months ended December 31, 2022	3,076	9.0	195	72.4	195	69.2	98	–
Three months ended December 31, 2021	2,822	–	113	–	115	–	7	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2022	6.53		–	
Three months ended December 31, 2021	0.47		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	9,852	5,895	55.6
As of September 30, 2022	10,905	6,082	51.6

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, 2022	–	0.00	–	12.00	12.00
Year ending September 30, 2023	–				
Year ending September 30, 2023 (Forecast)		0.00	–	13.00	13.00

3. Forecast of consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 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
Six months ending March 31, 2023	7,920	9.5	650	5.5	650	4.7	360	7.3	23.91
Full year	14,350	4.7	1,100	6.7	1,100	5.3	610	3.7	40.51

4. Notes

- (1) Changes in significant subsidiaries during the three 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: 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 December 31, 2022	15,273,500 shares	As of September 30, 2022	15,273,500 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	322,014 shares	As of September 30, 2022	217,014 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, 2022	15,033,389 shares	Three months ended December 31, 2021	14,961,486 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	3,958,521	2,399,796
Notes and accounts receivable - trade, and contract assets	2,440,141	2,874,992
Merchandise and finished goods	3,421	4,488
Work in process	345,520	362,632
Raw materials and supplies	1,272	1,718
Accounts receivable - other	1,996	5,047
Other	359,131	490,453
Allowance for doubtful accounts	(9,227)	(10,823)
Total current assets	7,100,777	6,128,304
Non-current assets		
Property, plant and equipment	1,739,851	1,732,136
Intangible assets		
Goodwill	369,645	358,053
Other	618,197	638,619
Total intangible assets	987,843	996,673
Investments and other assets		
Investment securities	435,750	427,998
Other	687,655	614,113
Allowance for doubtful accounts	(46,479)	(46,479)
Total investments and other assets	1,076,926	995,632
Total non-current assets	3,804,621	3,724,441
Total assets	10,905,398	9,852,746
Liabilities		
Current liabilities		
Accounts payable - trade	1,179,379	778,489
Short-term borrowings	100,000	–
Current portion of bonds payable	5,000	–
Current portion of long-term borrowings	598,042	592,434
Income taxes payable	305,077	30,120
Provision for bonuses	227,627	123,607
Contract liabilities	308,229	298,446
Other	539,342	676,489
Total current liabilities	3,262,698	2,499,587
Non-current liabilities		
Long-term borrowings	1,186,822	1,081,766
Retirement benefit liability	194,116	198,036
Other	179,652	178,237
Total non-current liabilities	1,560,591	1,458,039
Total liabilities	4,823,289	3,957,626

(Thousands of yen)

	As of September 30, 2022	As of December 31, 2022
Net assets		
Shareholders' equity		
Share capital	1,198,552	1,198,552
Capital surplus	1,224,404	1,224,404
Retained earnings	3,291,991	3,209,447
Treasury shares	(100,410)	(160,456)
Total shareholders' equity	5,614,537	5,471,947
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,479	10,987
Total accumulated other comprehensive income	10,479	10,987
Non-controlling interests	457,091	412,184
Total net assets	6,082,108	5,895,119
Total liabilities and net assets	10,905,398	9,852,746

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

(Thousands of yen)

	Three months ended December 31, 2021	Three months ended December 31, 2022
Net sales	2,822,396	3,076,370
Cost of sales	2,207,641	2,292,998
Gross profit	614,754	783,371
Selling, general and administrative expenses	501,203	587,660
Operating profit	113,550	195,710
Non-operating income		
Interest income	2	4
Dividend income	1,080	945
Other	2,453	3,654
Total non-operating income	3,536	4,604
Non-operating expenses		
Interest expenses	1,461	1,759
Foreign exchange losses	–	1,897
Other	–	1,054
Total non-operating expenses	1,461	4,710
Ordinary profit	115,625	195,604
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	115,745	194,141
Income taxes - current	61,876	29,894
Income taxes - deferred	33,767	71,820
Total income taxes	95,644	101,715
Profit	20,101	92,426
Profit attributable to		
Profit attributable to owners of parent	7,094	98,134
Profit (loss) attributable to non-controlling interests	13,007	(5,707)
Other comprehensive income		
Valuation difference on available-for-sale securities	1,485	508
Total other comprehensive income	1,485	508
Comprehensive income	21,587	92,934
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,580	98,642
Comprehensive income attributable to non-controlling interests	13,007	(5,707)