

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 10, 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: August 10, 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 three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023 | 453             | 51.3  | (15)             | – | (16)            | – | (27)                                    | – |
| Three months ended June 30, 2022 | 299             | 224.9 | (8)              | – | (8)             | – | (10)                                    | – |

|                                  | Earnings per share |  | Diluted earnings per share |  |
|----------------------------------|--------------------|--|----------------------------|--|
|                                  | Yen                |  | Yen                        |  |
| Three months ended June 30, 2023 | (0.51)             |  | –                          |  |
| Three months ended June 30, 2022 | (0.20)             |  | –                          |  |

(2) Consolidated financial position

|                      | Total assets    | Net assets      | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
|                      | Millions of yen | Millions of yen | %            |
| As of June 30, 2023  | 5,950           | 4,605           | 77.4         |
| As of March 31, 2023 | 6,108           | 4,632           | 75.8         |

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, 2023             | –                          | –               | –               | 0.00            | 0.00  |
| Year ending March 31, 2024            | –                          | –               | –               | –               | –     |
| Year ending March 31, 2024 (Forecast) | –                          | –               | –               | 0.00            | 0.00  |

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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 | 2,340           | 66.3 | 310              | – | 300             | – | 200                                     | 291.8 | 3.78               |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023  
 (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, 2023 | 52,932,733 shares | As of March 31, 2023 | 52,932,733 shares |
|---------------------|-------------------|----------------------|-------------------|

Number of treasury shares at the end of the period

|                     |               |                      |               |
|---------------------|---------------|----------------------|---------------|
| As of June 30, 2023 | 16,786 shares | As of March 31, 2023 | 16,786 shares |
|---------------------|---------------|----------------------|---------------|

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

|                                  |                   |                                  |                   |
|----------------------------------|-------------------|----------------------------------|-------------------|
| Three months ended June 30, 2023 | 52,915,947 shares | Three months ended June 30, 2022 | 52,915,947 shares |
|----------------------------------|-------------------|----------------------------------|-------------------|

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

|  | As of March 31, 2023 | As of June 30, 2023 |
|--|----------------------|---------------------|
| <b>Assets</b>                              |                      |                     |
| <b>Current assets</b>                      |                      |                     |
| Cash and deposits                          | 1,009,394            | 1,012,022           |
| Accounts receivable - trade                | 61,218               | 67,256              |
| Merchandise                                | 493                  | 742                 |
| Supplies                                   | 39,175               | 1,507               |
| Other                                      | 96,652               | 19,377              |
| Allowance for doubtful accounts            | (2,207)              | (2,334)             |
| <b>Total current assets</b>                | <b>1,204,726</b>     | <b>1,098,570</b>    |
| <b>Non-current assets</b>                  |                      |                     |
| <b>Property, plant and equipment</b>       |                      |                     |
| Buildings and structures, net              | 2,517,153            | 2,605,067           |
| Machinery, equipment and vehicles, net     | 44,375               | 48,108              |
| Tools, furniture and fixtures, net         | 41,025               | 108,751             |
| Land                                       | 1,834,794            | 1,834,794           |
| Construction in progress                   | 215,538              | –                   |
| <b>Total property, plant and equipment</b> | <b>4,652,886</b>     | <b>4,596,720</b>    |
| <b>Intangible assets</b>                   |                      |                     |
| Leasehold interests in land                | 83,445               | 83,445              |
| Software                                   | 70                   | 4,895               |
| Telephone subscription right               | 1,528                | 1,528               |
| <b>Total intangible assets</b>             | <b>85,044</b>        | <b>89,869</b>       |
| <b>Investments and other assets</b>        |                      |                     |
| Investment securities                      | 600                  | 600                 |
| Other                                      | 167,602              | 167,229             |
| Allowance for doubtful accounts            | (2,208)              | (2,205)             |
| <b>Total investments and other assets</b>  | <b>165,994</b>       | <b>165,624</b>      |
| <b>Total non-current assets</b>            | <b>4,903,925</b>     | <b>4,852,214</b>    |
| <b>Total assets</b>                        | <b>6,108,651</b>     | <b>5,950,785</b>    |

(Thousands of yen)

|   | As of March 31, 2023 | As of June 30, 2023 |
|---|----------------------|---------------------|
| <b>Liabilities</b>                                  |                      |                     |
| <b>Current liabilities</b>                          |                      |                     |
| Accounts payable - trade                            | 30,098               | 32,269              |
| Current portion of long-term borrowings             | 150,948              | 156,974             |
| Accounts payable - other                            | 151,757              | 135,948             |
| Income taxes payable                                | 90,419               | 11,713              |
| Contract liabilities                                | 7,479                | 8,448               |
| Advances received                                   | 2,843                | 5,017               |
| Provision for bonuses                               | 5,676                | 6,655               |
| Provision for shareholder benefit program           | 1,348                | 833                 |
| Other   | 42,557               | 33,625              |
| <b>Total current liabilities</b>                    | <b>483,129</b>       | <b>391,485</b>      |
| <b>Non-current liabilities</b>                      |                      |                     |
| Long-term borrowings                                | 788,848              | 749,610             |
| Deferred tax liabilities                            | 29,354               | 28,644              |
| Deferred tax liabilities for land revaluation       | 10,052               | 10,052              |
| Asset retirement obligations                        | 160,761              | 161,203             |
| Long-term deposits received                         | 3,793                | 4,143               |
| <b>Total non-current liabilities</b>                | <b>992,810</b>       | <b>953,654</b>      |
| <b>Total liabilities</b>                            | <b>1,475,939</b>     | <b>1,345,140</b>    |
| <b>Net assets</b>                                   |                      |                     |
| <b>Shareholders' equity</b>                         |                      |                     |
| Share capital                                       | 100,000              | 100,000             |
| Capital surplus                                     | 4,235,309            | 4,235,309           |
| Retained earnings                                   | 280,628              | 253,561             |
| Treasury shares                                     | (2,235)              | (2,235)             |
| <b>Total shareholders' equity</b>                   | <b>4,613,701</b>     | <b>4,586,635</b>    |
| <b>Accumulated other comprehensive income</b>       |                      |                     |
| Revaluation reserve for land                        | 19,010               | 19,010              |
| <b>Total accumulated other comprehensive income</b> | <b>19,010</b>        | <b>19,010</b>       |
| <b>Total net assets</b>                             | <b>4,632,711</b>     | <b>4,605,645</b>    |
| <b>Total liabilities and net assets</b>             | <b>6,108,651</b>     | <b>5,950,785</b>    |

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

|  | Three months ended<br>June 30, 2022 | Three months ended<br>June 30, 2023 |
|--|-------------------------------------|-------------------------------------|
| Net sales                                    | 299,520                             | 453,059                             |
| Cost of sales                                | 246,930                             | 428,792                             |
| Gross profit                                 | 52,590                              | 24,266                              |
| Selling, general and administrative expenses | 60,784                              | 40,009                              |
| Operating loss                               | (8,194)                             | (15,743)                            |
| Non-operating income                         |                                     |                                     |
| Bounty income                                | 1,000                               | –                                   |
| Rental income from non-current assets        | 384                                 | 384                                 |
| Subsidy income                               | –                                   | 897                                 |
| Other  | 750                                 | 429                                 |
| Total non-operating income                   | 2,134                               | 1,711                               |
| Non-operating expenses                       |                                     |                                     |
| Interest expenses                            | 2,731                               | 2,330                               |
| Other  | 13                                  | 75                                  |
| Total non-operating expenses                 | 2,745                               | 2,406                               |
| Ordinary loss                                | (8,805)                             | (16,438)                            |
| Extraordinary income                         |                                     |                                     |
| Subsidy income                               | 4,997                               | –                                   |
| Total extraordinary income                   | 4,997                               | –                                   |
| Loss before income taxes                     | (3,807)                             | (16,438)                            |
| Income taxes - current                       | 3,935                               | 11,338                              |
| Income taxes - deferred                      | 2,984                               | (710)                               |
| Total income taxes                           | 6,920                               | 10,628                              |
| Loss   | (10,727)                            | (27,066)                            |
| Loss attributable to owners of parent        | (10,727)                            | (27,066)                            |

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

(Thousands of yen)

|  | Three months ended<br>June 30, 2022 | Three months ended<br>June 30, 2023 |
|--|-------------------------------------|-------------------------------------|
| Loss   | (10,727)                            | (27,066)                            |
| Other comprehensive income                                     |                                     |                                     |
| Revaluation reserve for land                                   | (1,153)                             | –                                   |
| Total other comprehensive income                               | (1,153)                             | –                                   |
| Comprehensive income   | (11,881)                            | (27,066)                            |
| Comprehensive income attributable to                           |                                     |                                     |
| Comprehensive income attributable to owners of parent          | (11,881)                            | (27,066)                            |
| Comprehensive income attributable to non-controlling interests | –                                   | –                                   |