



**Kyoritsu Maintenance Co., Ltd.**  
**(Securities Code: 9616)**

**Summary of Consolidated Financial Results**  
**for the First Quarter of the Fiscal Year**  
**Ending March 31, 2024**

**[JGAAP]**

**August 2023**

## Summary of Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2024 [based on Japanese GAAP]

August 9, 2023

Name of listed company: Kyoritsu Maintenance Co., Ltd. Listed exchange: Tokyo  
 Code: 9616 URL <https://www.kyoritsugroup.co.jp/>  
 Representative: (Title) President (Name) Koji Nakamura  
 Contact: (Title) Managing Director (Name) Manabu Takaku Tel. +81-3-5295-7778  
 Scheduled filing date of Quarterly Report: August 14, 2023  
 Scheduled date of start of dividend payment: -  
 Supplementary materials for the quarterly financial results: Yes  
 Investor conference for the quarterly financial results: None

(Rounded down to the nearest million yen)

### 1. Consolidated financial results for the first three months of the fiscal year ending March 31, 2024 (April 1, 2023 to June 30, 2023)

#### (1) Consolidated Operating Results

(Percentage figures represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2023	46,699	19.0	2,912	170.4	2,798	160.3	1,749	153.0
Three months ended June 30, 2022	39,252	32.4	1,076	-	1,075	-	691	-

(Note) Comprehensive income: The nine months ended June 30, 2023: 1,670 million yen (82.6%)  
 The nine months ended June 30, 2022: 915 million yen (-%)

	Income per share	Diluted net income per share
	Yen	Yen
Three months ended June 30, 2023	44.87	38.46
Three months ended June 30, 2022	17.74	15.13

#### (2) Consolidated financial position

	Total assets	Total net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2023	260,251	75,780	29.1	1,943.10
As of March 31, 2023	272,308	74,579	27.4	1,912.28

(Reference) Shareholders' equity: As of June 30, 2023: 75,780 million yen As of March 31, 2023: 74,579 million yen

### 2. Dividends

	Annual dividends				
	Q1 end	Q2 end	Q3 end	Year end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	-	10.00	-	12.00	22.00
Year ending March 31, 2024	-				
Year ending March 31, 2024 (Forecast)		16.00	-	16.00	32.00

(Note) Revision from most recently announced dividends forecasts: None

### 3. Forecasted consolidated results for the fiscal year ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentage figures represent year-over-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	198,000	12.7	10,000	36.5	9,400	32.1	6,100	43.8	156.41

(Note) Revision from most recently announced earnings forecasts: None

\*Notes

(1) Changes in major subsidiaries during the period under review (changes in specific subsidiaries accompanied by changes in the scope of consolidation): None

(2) Application of special accounting treatment in the preparation of the quarterly consolidated financial statements: Yes

(Note) For details, please see “(3) Notes on Quarterly Consolidated Financial Statements, (Application of special accounting procedures in the preparation of quarterly consolidated financial statements)” under “2. Quarterly Financial Statements and Major Notes” on page 11.

(3) Changes in accounting policies, changes in accounting estimates, and restatements

(i) Changes in accounting policies due to revision of accounting standards, etc.: None

(ii) Changes in accounting policies other than those under (i) above: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatements: None

(4) Number of issued shares (common stock)

(i) Number of issued shares at the end of the period (including treasury shares)

As of June 30, 2023	39,219,818 shares	Year ended March 31, 2023	39,219,818 shares
As of June 30, 2023	219,868 shares	Year ended March 31, 2023	219,668 shares
As of June 30, 2023	38,999,999 shares	As of June 30, 2022	38,989,215 shares

(ii) Number of treasury shares at the end of the period

(iii) Average number of shares during the period

\*Summaries of quarterly financial results are not subject to auditing by a certified public accountant or auditing firm.

\*Explanation of the appropriate use of earnings forecasts and other special notes

(Note concerning forward-looking statements)

The forward-looking statements, including earnings forecasts and other future projections contained in this document are based on information available to the Company at the time of preparation and on certain assumptions deemed reasonable by the Company. As such, they do not constitute an assurance that the Company promises to achieve these projected results. Actual business results may differ materially from the forecasts due to various factors.

Please see “(3) Explanation of Forecasts of Consolidated Results and Other Forward-Looking Information” under “1. Qualitative Information on Quarterly Results” on page 6 for the assumptions used for the forecast of financial results and notes concerning the use of the forecast of financial results.

(How to obtain supplementary materials on quarterly financial results)

Supplementary materials on quarterly financial results are posted to TDnet on the same date and to the Company website.

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## 1. Qualitative Information on Quarterly Results

### (1) Explanation of Operating Results

During the first three months of this consolidated fiscal year, despite the reclassification of COVID-19 as Class 5 and the subsequent movement toward normal economic activity, the outlook for the Japanese economy remained uncertain for various reasons, including the skyrocketing cost of energy and raw materials around the world and the prolonged course of the Ukraine conflict.

Various factors helped the Group record significant recovery in business performance in both the Dormitory and Hotel businesses, including growing numbers of foreign students and inbound visitors to Japan and the extension of nationwide tourism support measures. These factors more than offset the negative impact of skyrocketing energy costs and higher labor costs.

As a result, the Group showed growth in both sales and income in the first three months of this consolidated fiscal year, recording net sales of 46,699 million yen (up 19.0% YoY), operating income of 2,912 million yen (up 170.4% YoY), ordinary income of 2,798 million yen (up 160.3% YoY), and net income attributable to owners of parent of 1,749 million yen (up 153.0% YoY).

Segment business performance is reviewed below.

#### (i) Dormitory Business

In the Dormitory Business, the Group in April opened a total of 12 new facilities nationwide, representing a total of 1,037 rooms. Various factors, including the accelerated return to in-person classes with the reclassification of COVID-19 as a Class 5 infectious disease and the easing of immigration restrictions, led to a sharp increase in contracts concluded with Japanese students and foreign students. The period began with an initial occupancy rate of 98.2% (up 4.7 percentage points from the previous year).

Net sales were 13,483 million yen (up 5.1% YoY). Operating income was 1,629 million yen (up 28.3% YoY).

#### (ii) Hotel Business

In the Hotel Business, thanks to growing numbers of inbound visitors to Japan, the extension of nationwide tourism support measures, and large numbers of guests drawn by the Company's reputation for service, both the Dormy Inn Business and the Resorts Business exhibited occupancy trends well above industry averages. We also made progress in normalizing selling prices amid inflationary pressures.

Net sales amounted to 27,334 million yen (up 32.7% YoY). Operating income was 2,237 million yen (up 1,063.8% YoY).

#### (iii) Comprehensive Building Management Business

In the Comprehensive Building Management Business, despite growth in construction projects, rising labor and outsourcing costs constrained net sales to 4,340 million yen (up 7.9% YoY) and an operating loss of 3 million yen (vs. operating income of 117 million yen in the same period of the previous fiscal year).

#### (iv) Food Service Business

In the Food Service Business, despite growing numbers of contracted hotel restaurants, various factors, including the higher cost of food and labor, resulted in net sales of 2,415 million yen (up 19.4% YoY) and operating income of 46 million yen (down 58.6% YoY).

#### (v) Development Business

Due to a decrease in construction projects and other factors, the Development Business reported net sales of 143 million yen (down 47.7% YoY) and an operating loss of 41 million yen (vs. operating income of 16 million yen in the same period of the previous fiscal year).

#### (vi) Other Businesses

Other Businesses consist of the Senior Life Business (management and operation of senior residences), the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments), support business for people who live alone, the insurance agency business, comprehensive human-resource services, the financial business, and the administrative outsourcing business. The total of these businesses resulted in net sales of 4,015 million yen (up 2.8% YoY) and operating income of 34 million yen (down 54.2% YoY).

### (2) Explanation of Financial Position

#### (Assets)

Total assets at the end of the first quarter of this consolidated fiscal year stood at 260,251 million yen, down by 12,056 million yen from the end of the previous consolidated fiscal year. Main factors for this decrease included declines in cash and deposits.

(Liabilities)

Liabilities at the end of the third quarter of this consolidated fiscal year stood at 184,470 million yen, down by 13,258 million yen from the end of the previous consolidated fiscal year. This was mainly due to declines in bonds payable and long-term loans payable.

(Net assets)

Net assets at the end of the first quarter of this consolidated fiscal year stood at 75,780 million yen, up 1,201 million yen from the end of the previous consolidated fiscal year. This was mainly due to an increase in retained earnings.

As a result, the equity ratio was 29.1 %, an increase of 1.7 points from the end of the previous consolidated fiscal year.

**(3) Explanation of Forecasts of Consolidated Results and Other Forward-Looking Information**

Despite positive business performance in the first three months of this consolidated fiscal year, given the uncertainty of future developments in aspects such as numbers of inbound visitors to Japan, the future status of nationwide tourism-support measures, and skyrocketing energy costs, we have left our forecasts of consolidated financial results, announced on May 15, 2023, unchanged for the time being. Any necessary future revisions to forecasts of financial results will be promptly disclosed.

## 2. Quarterly Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheet

(Unit: million yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	56,027	44,368
Notes and accounts receivable - trade	15,211	14,597
Real estate for sale	11,750	11,692
Real estate for sale in process	6,873	7,085
Costs on uncompleted construction contracts	95	110
Other	8,918	8,927
Allowance for doubtful accounts	-74	-76
Total current assets	98,802	86,705
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	47,643	47,513
Land	39,862	39,991
Construction in progress	14,811	15,368
Other, net	4,637	4,624
Total property, plant and equipment	106,954	107,497
Intangible fixed assets	4,154	4,126
Investments and other assets		
Investment securities	3,525	3,729
Guarantee deposits	18,581	18,579
Lease deposits	19,915	20,004
Other	20,082	19,337
Allowance for doubtful accounts	-113	-111
Total investments and other assets	61,991	61,539
Total non-current assets	173,100	173,164
Deferred assets	405	381
Total assets	272,308	260,251

(Unit: million yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	7,249	5,958
Short-term borrowings	23,947	23,846
Current portion of bonds payable	4,880	4,880
Income taxes payable	865	635
Provision for bonuses	1,935	489
Provision for directors' bonuses	289	90
Provision for warranties for completed construction	0	0
Other	28,214	21,531
Total current liabilities	67,383	57,433
Non-current liabilities		
Bonds payable	18,580	18,180
Convertible bonds with share acquisition rights	30,082	30,075
Long-term loans payable	75,743	72,753
Net defined benefit liability	1,029	1,097
Provision for directors' retirement benefits	255	256
Other	4,653	4,674
Total non-current liabilities	130,345	127,036
Total liabilities	197,728	184,470
<b>Net assets</b>		
Shareholders' equity		
Share capital	7,964	7,964
Capital surplus	12,862	12,862
Retained earnings	53,845	55,127
Treasury shares	-349	-350
Total shareholders' equity	74,322	75,603
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	160	301
Deferred gains or losses on hedges	648	439
Foreign currency translation adjustment	-589	-598
Remeasurements of defined benefit plans	36	34
Total accumulated other comprehensive income	256	176
Total net assets	74,579	75,780
Total liabilities and net assets	272,308	260,251



**(2) Quarterly Consolidated Income Statement and Quarterly Consolidated Statement of Comprehensive Income**

(Quarterly Consolidated Income Statement)  
(Three Months Ended June 30, 2023)

(Unit: million yen)

	Three Months Ended June 30, 2022 (From April 1, 2022 to June 30, 2022)	Three Months Ended June 30, 2023 (From April 1, 2023 to June 30, 2023)
Net sales	39,252	46,699
Cost of sales	32,430	36,509
Gross income	6,822	10,190
Selling, general and administrative expenses	5,745	7,277
Operating income	1,076	2,912
Non-operating income		
Interest income	26	27
Dividend income	43	30
Foreign exchange gains	32	64
Other	160	40
Total non-operating income	263	162
Non-operating expenses		
Interest expenses	145	175
Expenses for measures for COVID-19	31	—
Other	88	101
Total non-operating expenses	265	276
Ordinary income	1,075	2,798
Extraordinary income		
Gain on sales of investment securities	18	-
Total extraordinary income	18	-
Extraordinary losses		
Loss on store closings	30	21
Loss on disaster	15	11
Demolition and removal costs	-	44
Total extraordinary losses	46	78
Net income before taxes	1,046	2,720
Income taxes	355	970
Net income	691	1,749
Net income attributable to owners of parent	691	1,749

(Quarterly Consolidated Statement of Comprehensive Income)  
(Three Months Ended June 30, 2023)

(Unit: million yen)

	Three Months Ended June 30, 2022 (From April 1, 2022 to June 30, 2022)	Three Months Ended June 30, 2023 (From April 1, 2023 to June 30, 2023)
Net income	691	1,749
Other comprehensive income		
Valuation difference on available-for-sale securities	-8	141
Deferred gains or losses on hedges	245	-209
Foreign currency translation adjustment	-11	-9
Remeasurements of defined benefit plans	-2	-2
Total other comprehensive income	223	-79
Comprehensive income	915	1,670
(Breakdown)		
Comprehensive income attributable to owners of parent	915	1,670

### **(3) Notes on Quarterly Consolidated Financial Statements**

(Notes on the going concern assumption)

Not applicable

(Notes concerning any notable changes in shareholders' equity)

Not applicable

(Application of special accounting procedures in the preparation of quarterly consolidated financial statements)

(Calculation of tax expenses)

The Company calculates tax expenses by rationally assuming an effective tax rate after applying tax effect accounting to income (loss) before income taxes for the consolidated fiscal year, including the first quarter of the fiscal year, and multiplying income (loss) before income taxes for the first three months of the fiscal year by the estimated effective tax rate. However, if the result of calculation of tax expenses using the estimated effective tax rate is significantly unreasonable, the statutory effective tax rate is used.

(Changes in accounting policies)

Not applicable

(Additional information)

Not applicable

(Segment Information)

I For the three months ended June 30, 2022 (April 1, 2022 – June 30, 2022)

1. Information on net sales, income or loss by each reporting segment

(Unit: million yen)

	Reporting segment						Other Note <sup>1</sup>	Total	Adjustment amount Note <sup>2</sup>	Amount recorded on consolidated quarterly income statement Note <sup>3</sup>
	Dormitory	Hotel	Comprehensive Building Management	Food Service	Development	Total				
Net sales										
Net sales to external customers	12,744	20,569	1,787	343	83	35,527	3,725	39,252	-	39,252
Inter-segmental sales or transfers	88	30	2,235	1,679	190	4,224	179	4,404	-4,404	-
Total	12,832	20,599	4,023	2,022	274	39,752	3,904	43,656	-4,404	39,252
Segment income (loss)	1,270	192	117	111	16	1,707	75	1,783	-706	1,076

Notes: 1. The Other segment consists of the following businesses which are not included in the reporting segments: the Senior Life Business (management and operation of senior residences), the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments), support business for people who live alone, the insurance agency business, comprehensive human-resource services, the financial business, the administrative outsourcing business, and other additional businesses.

2. Adjustment of segment income (loss) of -706 million yen includes the amount of elimination of inter-segment transactions of 121 million yen and corporate expenses of -828 million yen that are not allocated to each reportable segment. Corporate expenses mainly consist of expenses related to the Accounting Department and other administrative departments of the head office.

3. Segment income (loss) is adjusted with operating income on the quarterly consolidated statement of income.

2. Information on impairment loss on non-current assets or goodwill, etc. by reporting segment

Not applicable

II For the three months ended June 30, 2023 (April 1, 2023 – June 30, 2023)

1. Information on net sales, income or loss by each reporting segment

(Unit: million yen)

	Reporting segment						Other Note <sup>1</sup>	Total	Adjustment amount Note <sup>2</sup>	Amount recorded on consolidated quarterly income statement Note <sup>3</sup>
	Dormitory	Hotel	Comprehensive Building Management	Food Service	Development	Total				
Net sales										
Net sales to external customers	13,425	27,300	1,660	399	84	42,871	3,828	46,699	-	46,699
Inter-segmental sales or transfers	57	34	2,680	2,015	58	4,846	186	5,033	-5,033	-
Total	13,483	27,334	4,340	2,415	143	47,717	4,015	51,732	-5,033	46,699
Segment income (loss)	1,629	2,237	-3	46	-41	3,869	34	3,903	-991	2,912

Notes: 1. The Other segment consists of the following businesses which are not included in the reporting segments: the Senior Life Business (management and operation of senior residences), the Public Kyoritsu Partnership (PKP) Business (services provided under contract to local governments), support business for people who live alone, the insurance agency business, comprehensive human-resource services, the financial business, the administrative outsourcing business, and other additional businesses.

2. Adjustment of segment income (loss) of -991 million yen includes the amount of elimination of inter-segment transactions of 26 million yen and corporate expenses of -1,017 million yen that are not allocated to each reportable segment. Corporate expenses mainly consist of expenses related to the Accounting Department and other administrative departments of the head office.

3. Segment income (loss) is adjusted with operating income on the quarterly consolidated statement of income.

2. Information on impairment loss of non-current assets or goodwill, etc. by reporting segment

Not applicable