

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended August 31, 2023 (Based on Japanese GAAP)

October 12, 2023

Company name: E·J Holdings Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 2153 URL <https://www.ej-hds.co.jp>  
 Representative: President Yuji Kotani  
 Inquiries: Director Masanori Hamano TEL 086(252)7520  
 Scheduled date to file Quarterly Securities Report: October 13, 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 August 31, 2023 (from June 1, 2023 to August 31, 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 August 31, 2023	3,207	(12.1)	(952)	–	(893)	–	(656)	–
Three months ended August 31, 2022	3,648	–	(890)	–	(819)	–	(631)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended August 31, 2023	(41.97)	–
Three months ended August 31, 2022	(40.47)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of August 31, 2023	35,790	28,541	79.7
As of May 31, 2023	39,194	29,869	76.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended May 31, 2023	–	0.00	–	50.00	50.00
Year ending May 31, 2024	–				
Year ending May 31, 2024 (Forecast)		0.00	–	55.00	55.00

3. Forecast of consolidated financial results for the year ending May 31, 2024 (from June 1, 2023 to May 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	38,300	2.1	4,600	3.3	4,800	3.8	3,200	4.9	204.81

4. Notes

- (1) Changes in significant subsidiaries during the three months ended August 31, 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: Yes
- 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 August 31, 2023	16,078,920 shares	As of May 31, 2023	16,078,920 shares
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Number of treasury shares at the end of the period

As of August 31, 2023	449,502 shares	As of May 31, 2023	449,402 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended August 31, 2023	15,629,478 shares	Three months ended August 31, 2022	15,615,180 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of May 31, 2023	As of August 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	17,092	12,115
Accounts receivable - trade, and contract assets	5,495	2,967
Securities	100	-
Inventories	2,913	5,633
Other	890	1,646
Allowance for doubtful accounts	(6)	(6)
Total current assets	26,485	22,355
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,731	2,691
Land	2,335	2,335
Other, net	599	611
Total property, plant and equipment	5,666	5,638
Intangible assets		
Goodwill	741	711
Other	1,077	1,290
Total intangible assets	1,818	2,002
Investments and other assets		
Investment securities	3,004	3,222
Bad debts	1	1
Investment property, net	432	430
Deferred tax assets	266	527
Retirement benefit asset	114	116
Other	1,506	1,595
Allowance for doubtful accounts	(102)	(99)
Total investments and other assets	5,223	5,794
Total non-current assets	12,708	13,434
Total assets	39,194	35,790

(Millions of yen)

	As of May 31, 2023	As of August 31, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - operating	1,083	421
Current portion of long-term borrowings	229	209
Income taxes payable	490	107
Contract liabilities	2,564	3,080
Provision for bonuses	–	770
Provision for bonuses for directors (and other officers)	22	–
Provision for loss on orders received	245	246
Other	3,660	1,458
Total current liabilities	8,296	6,293
Non-current liabilities		
Long-term borrowings	128	76
Deferred tax liabilities	65	65
Retirement benefit liability	422	382
Provision for share awards for directors (and other officers)	116	124
Provision for Employee Stock Ownership Plan Trust	36	39
Long-term accounts payable - other	176	176
Provision for loss on guarantees	7	6
Other	75	84
Total non-current liabilities	1,028	955
Total liabilities	9,325	7,248
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,803	2,803
Capital surplus	4,379	4,379
Retained earnings	22,371	20,911
Treasury shares	(454)	(454)
Total shareholders' equity	29,100	27,640
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	670	804
Foreign currency translation adjustment	(2)	0
Remeasurements of defined benefit plans	93	87
Total accumulated other comprehensive income	761	892
Non-controlling interests	8	8
Total net assets	29,869	28,541
<b>Total liabilities and net assets</b>	<b>39,194</b>	<b>35,790</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended August 31, 2022	Three months ended August 31, 2023
Net sales	3,648	3,207
Cost of sales	2,563	2,155
Gross profit	1,085	1,052
Selling, general and administrative expenses	1,975	2,004
Operating loss	(890)	(952)
Non-operating income		
Interest income	4	3
Dividend income	14	15
Share of profit of entities accounted for using equity method	32	30
Rental income from real estate	8	10
Other	32	9
Total non-operating income	92	70
Non-operating expenses		
Interest expenses	0	0
Rental expenses on real estate	3	6
Guarantee commission	3	3
Provision of allowance for doubtful accounts	11	–
Other	2	1
Total non-operating expenses	21	11
Ordinary loss	(819)	(893)
Extraordinary losses		
Loss on retirement of non-current assets	24	–
Office relocation expenses	6	–
Total extraordinary losses	31	–
Loss before income taxes	(850)	(893)
Income taxes - current	63	72
Income taxes - deferred	(281)	(309)
Total income taxes	(218)	(237)
Loss	(631)	(656)
Loss attributable to owners of parent	(631)	(656)

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

(Millions of yen)

	Three months ended August 31, 2022	Three months ended August 31, 2023
Loss	(631)	(656)
Other comprehensive income		
Valuation difference on available-for-sale securities	40	134
Foreign currency translation adjustment	(0)	3
Remeasurements of defined benefit plans, net of tax	(13)	(5)
Total other comprehensive income	26	131
Comprehensive income	(605)	(524)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(605)	(524)
Comprehensive income attributable to non-controlling interests	0	0