

Translation

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

November 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: November 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 six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	903	46.0	36	–	33	–	(8)	–
Six months ended September 30, 2022	618	162.5	(59)	–	(62)	–	(61)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	(0.31)	–
Six months ended September 30, 2022	(2.33)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	5,991	4,624	77.2
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	Yen	Yen	Yen	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	1,860	32.2	150	–	145	–	60	17.5	2.27

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 30, 2023	26,466,366 shares	As of March 31, 2023	26,466,366 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	8,393 shares	As of March 31, 2023	8,393 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	26,457,973 shares	Six months ended September 30, 2022	26,457,973 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,009,394	1,099,826
Accounts receivable - trade	61,218	74,727
Merchandise	493	732
Supplies	39,175	1,374
Other	96,652	17,028
Allowance for doubtful accounts	(2,207)	(2,334)
<b>Total current assets</b>	<b>1,204,726</b>	<b>1,191,355</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	2,517,153	2,558,609
Machinery, equipment and vehicles, net	44,375	45,807
Tools, furniture and fixtures, net	41,025	104,905
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>4,544,116</b>
<b>Intangible assets</b>		
Leasehold interests in land	83,445	83,445
Software	70	4,624
Telephone subscription right	1,528	1,528
<b>Total intangible assets</b>	<b>85,044</b>	<b>89,598</b>
<b>Investments and other assets</b>		
Investment securities	600	600
Other	167,602	168,351
Allowance for doubtful accounts	(2,208)	(2,201)
<b>Total investments and other assets</b>	<b>165,994</b>	<b>166,749</b>
<b>Total non-current assets</b>	<b>4,903,925</b>	<b>4,800,464</b>
<b>Total assets</b>	<b>6,108,651</b>	<b>5,991,820</b>

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	30,098	32,823
Current portion of long-term borrowings	150,948	193,622
Accounts payable - other	151,757	135,726
Income taxes payable	90,419	43,424
Contract liabilities	7,479	9,149
Advances received	2,843	4,826
Provision for bonuses	5,676	5,209
Provision for shareholder benefit program	1,348	676
Other	42,557	47,649
Total current liabilities	483,129	473,108
Non-current liabilities		
Long-term borrowings	788,848	690,034
Deferred tax liabilities	29,354	27,933
Deferred tax liabilities for land revaluation	10,052	10,052
Asset retirement obligations	160,761	161,646
Long-term deposits received	3,793	4,573
Total non-current liabilities	992,810	894,240
Total liabilities	1,475,939	1,367,348
<b>Net assets</b>		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	4,235,309	4,235,309
Retained earnings	280,628	272,388
Treasury shares	(2,235)	(2,235)
Total shareholders' equity	4,613,701	4,605,462
Accumulated other comprehensive income		
Revaluation reserve for land	19,010	19,010
Total accumulated other comprehensive income	19,010	19,010
Total net assets	4,632,711	4,624,472
Total liabilities and net assets	6,108,651	5,991,820

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

**Consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	618,788	903,461
Cost of sales	558,856	795,009
Gross profit	59,931	108,451
Selling, general and administrative expenses	119,404	72,354
Operating profit (loss)	(59,473)	36,097
Non-operating income		
Interest income	8	5
Bounty income	1,000	–
Commission income	411	608
Rental income from non-current assets	384	384
Subsidy income	–	897
Other	813	257
Total non-operating income	2,618	2,153
Non-operating expenses		
Interest expenses	5,392	4,773
Other	675	87
Total non-operating expenses	6,068	4,861
Ordinary profit (loss)	(62,924)	33,389
Extraordinary income		
Subsidy income	4,997	–
Total extraordinary income	4,997	–
Profit (loss) before income taxes	(57,926)	33,389
Income taxes - current	1,687	43,049
Income taxes - deferred	2,144	(1,420)
Total income taxes	3,832	41,628
Loss	(61,758)	(8,239)
Loss attributable to owners of parent	(61,758)	(8,239)

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

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Loss	(61,758)	(8,239)
Other comprehensive income		
Revaluation reserve for land	(1,153)	–
Total other comprehensive income	(1,153)	–
Comprehensive income	(62,912)	(8,239)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(62,912)	(8,239)
Comprehensive income attributable to non-controlling interests	–	–

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit (loss) before income taxes	(57,926)	33,389
Depreciation	100,907	152,377
Increase (decrease) in allowance for doubtful accounts	(3,791)	119
Increase (decrease) in provision for bonuses	1,166	(467)
Increase (decrease) in provision for shareholder benefit program	(378)	(672)
Interest and dividend income	(8)	(5)
Subsidy income	(4,997)	–
Interest expenses	5,392	4,773
Decrease (increase) in trade receivables	(16,480)	(13,508)
Decrease (increase) in inventories	(1,032)	37,561
Increase (decrease) in trade payables	8,980	2,725
Increase (decrease) in accrued consumption taxes	(2,524)	(3,979)
Decrease (increase) in consumption taxes refund receivable	(25,284)	60,058
Increase (decrease) in long-term deposits received	(38,169)	780
Decrease (increase) in other assets	5,451	17,907
Increase (decrease) in other liabilities	17,003	24,469
Other, net	0	40
Subtotal	(11,690)	315,569
Interest and dividends received	8	5
Interest paid	(5,310)	(4,003)
Subsidies received	4,997	–
Income taxes paid	(38,399)	(90,043)
Net cash provided by (used in) operating activities	(50,395)	221,527
Cash flows from investing activities		
Purchase of property, plant and equipment	(721,724)	(70,019)
Purchase of intangible assets	(14,647)	(5,072)
Other, net	–	138
Net cash provided by (used in) investing activities	(736,371)	(74,954)
Cash flows from financing activities		
Repayments of long-term borrowings	(56,700)	(56,140)
Net cash provided by (used in) financing activities	(56,700)	(56,140)
Net increase (decrease) in cash and cash equivalents	(843,466)	90,432
Cash and cash equivalents at beginning of period	1,931,013	1,009,394
Cash and cash equivalents at end of period	1,087,546	1,099,826