

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 8, 2024

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: February 8, 2024
 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 nine months ended December 31, 2023 (from April 1, 2023 to December 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	%
Nine months ended December 31, 2023	1,396	35.0	109	–	105	–	38	–
Nine months ended December 31, 2022	1,034	106.7	(44)	–	(50)	–	(54)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	1.44		–	
Nine months ended December 31, 2022	(2.06)		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	5,975	4,670	78.2
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				
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 nine months ended December 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: 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, 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 December 31, 2023	10,483 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)

Nine months ended December 31, 2023	26,457,534 shares	Nine months ended December 31, 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 December 31, 2023
Assets		
Current assets		
Cash and deposits	1,009,394	1,117,235
Accounts receivable - trade	61,218	94,279
Merchandise	493	1,128
Supplies	39,175	1,404
Other	96,652	23,049
Allowance for doubtful accounts	(2,207)	(2,392)
Total current assets	1,204,726	1,234,703
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,517,153	2,508,868
Machinery, equipment and vehicles, net	44,375	43,505
Tools, furniture and fixtures, net	41,025	97,103
Land	1,834,794	1,834,794
Construction in progress	215,538	–
Total property, plant and equipment	4,652,886	4,484,271
Intangible assets		
Leasehold interests in land	83,445	83,445
Software	70	4,352
Telephone subscription right	1,528	1,528
Total intangible assets	85,044	89,327
Investments and other assets		
Investment securities	600	600
Other	167,602	168,347
Allowance for doubtful accounts	(2,208)	(2,197)
Total investments and other assets	165,994	166,749
Total non-current assets	4,903,925	4,740,348
Total assets	6,108,651	5,975,052

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	30,098	41,427
Current portion of long-term borrowings	150,948	178,728
Accounts payable - other	151,757	114,448
Income taxes payable	90,419	21,403
Contract liabilities	7,479	9,753
Advances received	2,843	4,437
Provision for bonuses	5,676	2,317
Provision for shareholder benefit program	1,348	513
Other	42,557	67,223
Total current liabilities	483,129	440,253
Non-current liabilities		
Long-term borrowings	788,848	660,246
Deferred tax liabilities	29,354	27,223
Deferred tax liabilities for land revaluation	10,052	10,052
Asset retirement obligations	160,761	162,088
Long-term deposits received	3,793	4,580
Total non-current liabilities	992,810	864,191
Total liabilities	1,475,939	1,304,445
Net assets		
Shareholders' equity		
Share capital	100,000	100,000
Capital surplus	4,235,309	4,235,309
Retained earnings	280,628	318,823
Treasury shares	(2,235)	(2,535)
Total shareholders' equity	4,613,701	4,651,597
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	4,670,607
Total liabilities and net assets	6,108,651	5,975,052

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	1,034,055	1,396,451
Cost of sales	928,634	1,176,524
Gross profit	105,421	219,926
Selling, general and administrative expenses	150,080	110,348
Operating profit (loss)	(44,659)	109,578
Non-operating income		
Interest income	8	5
Bounty income	1,000	–
Commission income	1,335	786
Rental income from non-current assets	384	384
Subsidy income	–	1,956
Other	385	594
Total non-operating income	3,113	3,726
Non-operating expenses		
Interest expenses	7,932	7,102
Other	693	576
Total non-operating expenses	8,626	7,679
Ordinary profit (loss)	(50,171)	105,625
Extraordinary income		
Subsidy income	5,899	–
Total extraordinary income	5,899	–
Profit (loss) before income taxes	(44,271)	105,625
Income taxes - current	9,368	69,561
Income taxes - deferred	932	(2,130)
Total income taxes	10,300	67,430
Profit (loss)	(54,572)	38,195
Profit (loss) attributable to owners of parent	(54,572)	38,195

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit (loss)	(54,572)	38,195
Other comprehensive income		
Revaluation reserve for land	(1,153)	–
Total other comprehensive income	(1,153)	–
Comprehensive income	(55,726)	38,195
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(55,726)	38,195
Comprehensive income attributable to non-controlling interests	–	–