

**Translation**

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**Summary of Non-Consolidated Financial Results  
for the Six Months Ended September 30, 2019  
(Based on Japanese GAAP)**

October 31, 2019

Company name: ABHOTEL CO.,LTD.  
 Stock exchange listing: Tokyo, Nagoya  
 Stock code: 6565 URL <https://www.ab-hotel.jp/>  
 Representative: President Kazuki Kutsuna  
 Inquiries: Director, General Manager Yusuke Yamashita TEL 0566(79)3013  
 Scheduled date to file Quarterly Securities Report: November 7, 2019  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Non-consolidated financial results for the six months ended September 30, 2019 (from April 1, 2019 to September 30, 2019)

(1) Non-consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2019	3,258	25.2	813	24.8	783	16.8	486	17.4
Six months ended September 30, 2018	2,602	22.0	651	14.9	670	23.2	414	22.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2019	34.34		34.21	
Six months ended September 30, 2018	29.24		29.14	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2019	18,600	5,658	30.4
As of March 31, 2019	17,528	5,256	30.0

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, 2019	–	0.00	–	6.00	6.00
Year ending March 31, 2020	–	0.00			
Year ending March 31, 2020 (Forecast)			–	7.00	7.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	6,700	21.5	1,761	24.9	1,700	21.6	1,075	21.2	75.83

4. Notes

(1) Application of special accounting methods for preparing quarterly non-consolidated financial statements: No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2019	14,176,000 shares	As of March 31, 2019	14,176,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2019	254 shares	As of March 31, 2019	254 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, 2019	14,175,746 shares	Six months ended September 30, 2018	14,175,828 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
Assets		
Current assets		
Cash and deposits	3,223,354	3,030,984
Accounts receivable - trade	261,279	265,407
Inventories	24,557	18,646
Other	122,374	67,542
Total current assets	3,631,566	3,382,580
Non-current assets		
Property, plant and equipment		
Buildings	9,818,493	10,720,130
Accumulated depreciation	(1,730,174)	(1,882,690)
Buildings, net	8,088,318	8,837,439
Structures	582,322	633,711
Accumulated depreciation	(184,644)	(202,489)
Structures, net	397,678	431,221
Machinery and equipment	51,815	58,750
Accumulated depreciation	(29,261)	(31,606)
Machinery and equipment, net	22,553	27,143
Tools, furniture and fixtures	247,714	254,501
Accumulated depreciation	(167,420)	(182,275)
Tools, furniture and fixtures, net	80,293	72,225
Land	1,236,048	1,343,330
Leased assets	3,277,307	3,479,758
Accumulated depreciation	(552,825)	(610,790)
Leased assets, net	2,724,482	2,868,967
Construction in progress	693,252	945,514
Total property, plant and equipment	13,242,627	14,525,843
Intangible assets	19,588	25,000
Investments and other assets		
Leasehold and guarantee deposits	481,206	510,496
Deferred tax assets	85,057	95,499
Other	64,930	59,266
Total investments and other assets	631,194	665,262
Total non-current assets	13,893,411	15,216,106
Deferred assets		
Share issuance cost	3,172	2,220
Total deferred assets	3,172	2,220
Total assets	17,528,150	18,600,907

(Thousands of yen)

	As of March 31, 2019	As of September 30, 2019
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	–	300,000
Current portion of long-term borrowings	1,274,686	1,291,686
Lease obligations	397,515	322,129
Income taxes payable	352,458	327,231
Other	746,009	778,467
Total current liabilities	2,770,669	3,019,515
Non-current liabilities		
Long-term borrowings	6,538,532	6,643,054
Lease obligations	2,361,868	2,591,407
Provision for retirement benefits for directors (and other officers)	20,530	23,360
Asset retirement obligations	554,729	637,044
Other	25,477	28,477
Total non-current liabilities	9,501,137	9,923,344
Total liabilities	12,271,806	12,942,859
<b>Net assets</b>		
Shareholders' equity		
Share capital	953,920	953,920
Capital surplus	1,387,438	1,387,438
Retained earnings	2,915,578	3,317,283
Treasury shares	(593)	(593)
Total shareholders' equity	5,256,343	5,658,048
Total net assets	5,256,343	5,658,048
Total liabilities and net assets	17,528,150	18,600,907

**Non-consolidated statements of income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2018	Six months ended September 30, 2019
Net sales	2,602,566	3,258,977
Cost of sales	1,667,180	2,191,045
Gross profit	935,385	1,067,931
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	34,955	37,740
Salaries and bonuses	29,220	43,421
Commission expenses	48,094	60,158
Outsourcing expenses	57,303	10,206
Other	113,819	102,580
Total selling, general and administrative expenses	283,393	254,107
Operating profit	651,992	813,824
Non-operating income		
Commission income	13,024	13,219
Miscellaneous income	45,551	1,289
Total non-operating income	58,575	14,508
Non-operating expenses		
Interest expenses	33,954	37,230
Miscellaneous loss	5,737	7,298
Total non-operating expenses	39,691	44,529
Ordinary profit	670,876	783,803
Profit before income taxes	670,876	783,803
Income taxes - current	282,569	307,485
Income taxes - deferred	(26,224)	(10,441)
Total income taxes	256,344	297,043
Profit	414,532	486,759