

Translation

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Summary of Non-Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

July 31, 2020

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: August 5, 2020
 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. Non-consolidated financial results for the three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

(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	%
Three months ended June 30, 2020	854	(46.3)	(156)	–	(175)	–	(127)	–
Three months ended June 30, 2019	1,592	31.4	356	25.7	340	24.1	215	23.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	(8.98)		–	
Three months ended June 30, 2019	15.17		15.12	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	19,387	5,850	30.2
As of March 31, 2020	19,106	6,062	31.7

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, 2020	–	0.00	–	6.00	6.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	–	–

3. 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 June 30, 2020	14,176,000 shares	As of March 31, 2020	14,176,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	254 shares	As of March 31, 2020	254 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2020	14,175,746 shares	Three months ended June 30, 2019	14,175,746 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	3,903,086	3,968,205
Accounts receivable - trade	219,330	186,769
Inventories	18,040	17,867
Other	93,136	71,759
Total current assets	4,233,595	4,244,602
Non-current assets		
Property, plant and equipment		
Buildings	10,700,854	10,701,524
Accumulated depreciation	(1,803,827)	(1,883,023)
Buildings, net	8,897,026	8,818,500
Structures	608,834	609,234
Accumulated depreciation	(196,295)	(205,134)
Structures, net	412,539	404,100
Machinery and equipment	44,389	44,389
Accumulated depreciation	(31,268)	(31,970)
Machinery and equipment, net	13,121	12,419
Tools, furniture and fixtures	208,060	208,060
Accumulated depreciation	(146,028)	(151,638)
Tools, furniture and fixtures, net	62,031	56,422
Land	989,154	989,154
Leased assets	3,544,741	3,544,741
Accumulated depreciation	(599,170)	(659,046)
Leased assets, net	2,945,571	2,885,694
Construction in progress	795,393	1,176,015
Total property, plant and equipment	14,114,837	14,342,307
Intangible assets	20,351	19,818
Investments and other assets		
Leasehold and guarantee deposits	567,249	566,959
Deferred tax assets	145,650	198,345
Other	23,788	14,767
Total investments and other assets	736,688	780,071
Total non-current assets	14,871,877	15,142,197
Deferred assets		
Share issuance costs	1,268	793
Total deferred assets	1,268	793
Total assets	19,106,741	19,387,593

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Short-term borrowings	250,000	250,000
Current portion of long-term borrowings	1,256,994	1,446,112
Lease obligations	345,130	341,669
Income taxes payable	333,171	7,952
Other	1,064,331	677,807
Total current liabilities	3,249,627	2,723,541
Non-current liabilities		
Long-term borrowings	6,366,618	7,433,335
Lease obligations	2,647,257	2,593,911
Provision for retirement benefits	463	599
Provision for retirement benefits for directors (and other officers)	26,920	28,450
Asset retirement obligations	712,048	714,145
Other	41,457	43,557
Total non-current liabilities	9,794,764	10,813,999
Total liabilities	13,044,392	13,537,540
Net assets		
Shareholders' equity		
Share capital	953,920	953,920
Capital surplus	1,387,438	1,387,438
Retained earnings	3,721,584	3,509,288
Treasury shares	(593)	(593)
Total shareholders' equity	6,062,349	5,850,053
Total net assets	6,062,349	5,850,053
Total liabilities and net assets	19,106,741	19,387,593

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	1,592,270	854,562
Cost of sales	1,107,435	922,848
Gross profit (loss)	484,834	(68,285)
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	17,835	13,413
Salaries and bonuses	20,962	20,825
Commission expenses	32,464	16,695
Other	57,468	37,139
Total selling, general and administrative expenses	128,730	88,073
Operating profit (loss)	356,103	(156,359)
Non-operating income		
Commission income	6,151	4,031
Miscellaneous income	643	13,272
Total non-operating income	6,795	17,304
Non-operating expenses		
Interest expenses	18,383	18,672
Miscellaneous loss	3,822	17,397
Total non-operating expenses	22,205	36,070
Ordinary profit (loss)	340,692	(175,125)
Profit (loss) before income taxes	340,692	(175,125)
Income taxes - current	118,682	4,810
Income taxes - deferred	6,920	(52,694)
Total income taxes	125,602	(47,883)
Profit (loss)	215,090	(127,241)