

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

January 29, 2021

Company name: ABHOTEL CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6565 URL <https://www.ab-hotel.jp/>
 Representative: President Kazuki Kutsuna
 Inquiries: Accounting Department director Akiyoshi Oode TEL 0566(79)3013
 Scheduled date to file Quarterly Securities Report: February 5, 2021
 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 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	%
Nine months ended December 31, 2020	3,508	(29.2)	77	(93.8)	67	(94.5)	44	(94.2)
Nine months ended December 31, 2019	4,954	20.2	1,266	14.5	1,225	10.5	759	10.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	3.11		–	
Nine months ended December 31, 2019	53.57		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2020	20,616	6,021	29.2
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	–	0.00	–	–	–
Year ending March 31, 2021 (Forecast)	–	–	–	2.00	2.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	4,820	(23.4)	243	(81.7)	206	(84.0)	134	(84.9)	9.48

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 December 31, 2020	14,176,000 shares	As of March 31, 2020	14,176,000 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2020	254 shares	As of March 31, 2020	254 shares
-------------------------	------------	----------------------	------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2020	14,175,746 shares	Nine months ended December 31, 2019	14,175,746 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	3,903,086	3,250,421
Accounts receivable - trade	219,330	300,588
Inventories	18,040	22,724
Other	93,136	351,871
Total current assets	4,233,595	3,925,606
Non-current assets		
Property, plant and equipment		
Buildings	10,700,854	12,781,859
Accumulated depreciation	(1,803,827)	(2,061,631)
Buildings, net	8,897,026	10,720,228
Structures	608,834	699,794
Accumulated depreciation	(196,295)	(224,145)
Structures, net	412,539	475,649
Machinery and equipment	44,389	50,974
Accumulated depreciation	(31,268)	(33,609)
Machinery and equipment, net	13,121	17,364
Tools, furniture and fixtures	208,060	258,231
Accumulated depreciation	(146,028)	(167,013)
Tools, furniture and fixtures, net	62,031	91,218
Land	989,154	989,154
Leased assets	3,544,741	3,948,823
Accumulated depreciation	(599,170)	(704,454)
Leased assets, net	2,945,571	3,244,368
Construction in progress	795,393	410,686
Total property, plant and equipment	14,114,837	15,948,670
Intangible assets	20,351	28,427
Investments and other assets		
Leasehold and guarantee deposits	567,249	574,753
Deferred tax assets	145,650	119,926
Other	23,788	19,522
Total investments and other assets	736,688	714,202
Total non-current assets	14,871,877	16,691,300
Deferred assets		
Share issuance costs	1,268	—
Total deferred assets	1,268	—
Total assets	19,106,741	20,616,906

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Short-term borrowings	250,000	350,000
Current portion of long-term borrowings	1,256,994	1,434,342
Lease obligations	345,130	255,676
Accounts payable - other	751,647	769,769
Income taxes payable	333,171	14,087
Other	312,684	95,105
Total current liabilities	3,249,627	2,918,980
Non-current liabilities		
Long-term borrowings	6,366,618	7,721,139
Lease obligations	2,647,257	3,044,682
Provision for retirement benefits	463	1,061
Provision for retirement benefits for directors (and other officers)	26,920	31,460
Asset retirement obligations	712,048	831,847
Other	41,457	46,380
Total non-current liabilities	9,794,764	11,676,569
Total liabilities	13,044,392	14,595,550
Net assets		
Shareholders' equity		
Share capital	953,920	953,920
Capital surplus	1,387,438	1,387,438
Retained earnings	3,721,584	3,680,590
Treasury shares	(593)	(593)
Total shareholders' equity	6,062,349	6,021,355
Total net assets	6,062,349	6,021,355
Total liabilities and net assets	19,106,741	20,616,906

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Net sales	4,954,793	3,508,486
Cost of sales	3,304,608	3,158,438
Gross profit	1,650,185	350,047
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	57,645	47,673
Salaries and bonuses	65,533	66,880
Commission expenses	92,787	54,623
Other	167,872	102,980
Total selling, general and administrative expenses	383,837	272,157
Operating profit	1,266,347	77,889
Non-operating income		
Commission income	19,835	12,597
Miscellaneous income	2,425	10,237
Subsidy income	4,507	32,716
Total non-operating income	26,767	55,551
Non-operating expenses		
Interest expenses	56,250	56,512
Miscellaneous loss	11,114	9,287
Total non-operating expenses	67,365	65,800
Ordinary profit	1,225,750	67,640
Extraordinary income		
Gain on forgiveness of rental contracts	—	16,851
Total extraordinary income	—	16,851
Extraordinary losses		
Loss on retirement of non-current assets	3,484	—
Total extraordinary losses	3,484	—
Profit before income taxes	1,222,266	84,492
Income taxes - current	473,223	14,707
Income taxes - deferred	(10,398)	25,724
Total income taxes	462,824	40,432
Profit	759,441	44,060