

Translation

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Summary of Non-Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

January 31, 2022

Company name: ABHOTEL CO.,LTD.
 Stock exchange listing: Tokyo, Nagoya
 Stock code: 6565 URL <https://www.ab-hotel.jp/>
 Representative: President Kazuki Kutsuna
 Executive Officer, Accounting Department
 Inquiries: director Akiyoshi Oode TEL 0566(79)3013
 Scheduled date to file Quarterly Securities Report: February 4, 2022
 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, 2021 (from April 1, 2021 to December 31, 2021)

(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, 2021	4,722	–	667	757.0	626	826.5	364	726.4
Nine months ended December 31, 2020	3,508	(29.2)	77	(93.8)	67	(94.5)	44	(94.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2021	25.68		–	
Nine months ended December 31, 2020	3.11		–	

(2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2021	20,229	6,337	31.3
As of March 31, 2021	20,440	5,987	29.3

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, 2021	–	0.00	–	1.00	1.00
Year ending March 31, 2022	–	0.00	–		
Year ending March 31, 2022 (Forecast)				3.00	3.00

3. Forecast of non-consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	6,400	–	900	–	800	–	500	–	35.27

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:	Yes
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, 2021	14,176,000 shares	As of March 31, 2021	14,176,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	351 shares	As of March 31, 2021	319 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, 2021	14,175,676 shares	Nine months ended December 31, 2020	14,175,746 shares
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Quarterly non-consolidated financial statements
Non-consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	2,981,739	3,143,263
Accounts receivable - trade	277,945	362,801
Inventories	20,982	25,880
Other	293,888	80,438
Total current assets	3,574,556	3,612,384
Non-current assets		
Property, plant and equipment		
Buildings	12,781,859	13,351,402
Accumulated depreciation	(2,159,165)	(2,465,720)
Buildings, net	10,622,694	10,885,681
Structures	699,794	726,738
Accumulated depreciation	(234,592)	(267,084)
Structures, net	465,201	459,653
Machinery and equipment	50,974	79,974
Accumulated depreciation	(34,672)	(37,904)
Machinery and equipment, net	16,301	42,069
Tools, furniture and fixtures	258,231	264,043
Accumulated depreciation	(176,529)	(198,751)
Tools, furniture and fixtures, net	81,702	65,292
Land	989,154	989,154
Leased assets	3,948,823	4,054,940
Accumulated depreciation	(771,133)	(976,502)
Leased assets, net	3,177,689	3,078,438
Construction in progress	755,534	323,413
Total property, plant and equipment	16,108,277	15,843,702
Intangible assets	27,728	30,107
Investments and other assets		
Leasehold and guarantee deposits	574,463	583,521
Deferred tax assets	132,253	150,982
Other	23,464	8,367
Total investments and other assets	730,181	742,870
Total non-current assets	16,866,187	16,616,681
Total assets	20,440,743	20,229,065

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Short-term borrowings	–	250,000
Current portion of long-term borrowings	1,467,192	1,481,292
Lease obligations	255,461	260,962
Accounts payable - other	789,902	683,225
Income taxes payable	25,333	281,994
Other	130,007	293,216
Total current liabilities	2,667,896	3,250,690
Non-current liabilities		
Long-term borrowings	7,888,536	6,794,847
Lease obligations	2,981,456	2,884,784
Provision for retirement benefits	1,338	1,344
Provision for retirement benefits for directors (and other officers)	32,830	32,760
Asset retirement obligations	834,125	877,198
Other	47,280	50,280
Total non-current liabilities	11,785,566	10,641,214
Total liabilities	14,453,463	13,891,905
Net assets		
Shareholders' equity		
Share capital	953,920	953,920
Capital surplus	1,387,438	1,387,438
Retained earnings	3,646,602	3,996,525
Treasury shares	(680)	(723)
Total shareholders' equity	5,987,279	6,337,160
Total net assets	5,987,279	6,337,160
Total liabilities and net assets	20,440,743	20,229,065

Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	3,508,486	4,722,949
Cost of sales	3,158,438	3,772,318
Gross profit	350,047	950,631
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	47,673	45,275
Salaries and bonuses	66,880	68,423
Commission expenses	54,623	76,143
Other	102,980	93,306
Total selling, general and administrative expenses	272,157	283,149
Operating profit	77,889	667,481
Non-operating income		
Commission income	12,597	16,763
Miscellaneous income	42,953	12,072
Total non-operating income	55,551	28,836
Non-operating expenses		
Interest expenses	56,512	58,154
Miscellaneous losses	9,287	11,468
Total non-operating expenses	65,800	69,623
Ordinary profit	67,640	626,694
Extraordinary income		
Gain on forgiveness of rental contracts	16,851	–
Total extraordinary income	16,851	–
Extraordinary losses		
Loss on changes in construction project	–	15,000
Total extraordinary losses	–	15,000
Profit before income taxes	84,492	611,694
Income taxes - current	14,707	266,324
Income taxes - deferred	25,724	(18,728)
Total income taxes	40,432	247,596
Profit	44,060	364,098