

Translation

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## Summary of Non-Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

October 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: November 4, 2022  
 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, 2022 (from April 1, 2022 to September 30, 2022)

#### (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, 2022	4,001	37.9	1,188	491.2	1,161	561.7	695	681.6
Six months ended September 30, 2021	2,901	–	200	–	175	–	88	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2022	49.05		–	
Six months ended September 30, 2021	6.28		–	

#### (2) Non-consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	20,716	7,179	34.7
As of March 31, 2022	20,441	6,540	32.0

### 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, 2022	–	0.00	–	4.00	4.00
Year ending March 31, 2023	–	0.00	–	–	–
Year ending March 31, 2023 (Forecast)	–	–	–	8.00	8.00

### 3. Forecast of non-consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	7,700	21.3	2,100	118.9	2,000	113.3	1,200	111.4	84.65

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 September 30, 2022	14,176,000 shares	As of March 31, 2022	14,176,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	382 shares	As of March 31, 2022	351 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, 2022	14,175,640 shares	Six months ended September 30, 2021	14,175,681 shares
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**Quarterly non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	3,278,470	3,862,165
Accounts receivable - trade	368,012	440,904
Inventories	18,391	19,150
Other	68,261	75,535
<b>Total current assets</b>	<b>3,733,135</b>	<b>4,397,756</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	13,352,382	13,710,612
Accumulated depreciation	(2,568,012)	(2,771,876)
Buildings, net	10,784,370	10,938,736
Structures	726,738	732,637
Accumulated depreciation	(277,921)	(299,599)
Structures, net	448,816	433,037
Machinery and equipment	79,974	79,974
Accumulated depreciation	(40,109)	(44,027)
Machinery and equipment, net	39,864	35,946
Tools, furniture and fixtures	264,043	265,969
Accumulated depreciation	(206,208)	(216,643)
Tools, furniture and fixtures, net	57,835	49,325
Land	989,154	1,009,510
Leased assets	4,054,940	4,200,145
Accumulated depreciation	(1,044,958)	(1,186,492)
Leased assets, net	3,009,981	3,013,653
Construction in progress	581,673	32,019
<b>Total property, plant and equipment</b>	<b>15,911,696</b>	<b>15,512,229</b>
Intangible assets	30,235	29,544
<b>Investments and other assets</b>		
Leasehold and guarantee deposits	583,675	586,303
Deferred tax assets	175,282	184,143
Other	7,022	6,585
<b>Total investments and other assets</b>	<b>765,980</b>	<b>777,032</b>
<b>Total non-current assets</b>	<b>16,707,912</b>	<b>16,318,806</b>
<b>Total assets</b>	<b>20,441,048</b>	<b>20,716,562</b>

(Thousands of yen)

	As of March 31, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Current portion of long-term borrowings	1,525,092	1,642,524
Lease liabilities	261,821	318,293
Accounts payable - other	631,114	680,327
Income taxes payable	403,370	461,588
Contract liabilities	72,793	64,082
Other	355,835	171,155
<b>Total current liabilities</b>	<b>3,250,028</b>	<b>3,337,972</b>
<b>Non-current liabilities</b>		
Long-term borrowings	6,863,444	6,452,852
Lease liabilities	2,819,005	2,772,714
Provision for retirement benefits	1,588	2,169
Provision for retirement benefits for directors (and other officers)	34,550	38,100
Asset retirement obligations	879,579	884,414
Other	52,110	48,990
<b>Total non-current liabilities</b>	<b>10,650,276</b>	<b>10,199,240</b>
<b>Total liabilities</b>	<b>13,900,304</b>	<b>13,537,212</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	953,920	953,920
Capital surplus	1,387,438	1,387,438
Retained earnings	4,200,109	4,838,758
Treasury shares	(723)	(766)
<b>Total shareholders' equity</b>	<b>6,540,744</b>	<b>7,179,349</b>
<b>Total net assets</b>	<b>6,540,744</b>	<b>7,179,349</b>
<b>Total liabilities and net assets</b>	<b>20,441,048</b>	<b>20,716,562</b>

## Non-consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Net sales	2,901,898	4,001,566
Cost of sales	2,525,315	2,580,639
Gross profit	376,583	1,420,926
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	28,415	37,480
Salaries and bonuses	41,969	52,255
Commission expenses	47,915	64,045
Other	57,303	78,981
Total selling, general and administrative expenses	175,602	232,762
Operating profit	200,980	1,188,163
Non-operating income		
Commission income	10,925	12,916
Miscellaneous income	9,680	7,106
Total non-operating income	20,606	20,023
Non-operating expenses		
Interest expenses	39,185	37,426
Miscellaneous losses	6,822	8,992
Total non-operating expenses	46,007	46,418
Ordinary profit	175,579	1,161,767
Extraordinary losses		
Loss on retirement of non-current assets	–	859
Impairment losses	–	38,963
Loss on changes in construction project	15,000	–
Total extraordinary losses	15,000	39,822
Profit before income taxes	160,579	1,121,944
Income taxes - current	78,811	435,453
Income taxes - deferred	(7,201)	(8,860)
Total income taxes	71,609	426,592
Profit	88,970	695,351