

**Translation**

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## Summary of Non-Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

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 of ordinary general meeting of shareholders: June 26, 2024  
 Scheduled date to file Securities Report: June 28, 2024  
 Scheduled date to commence dividend payments: June 27, 2024  
 Preparation of supplementary material on financial results: No  
 Holding of 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 year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

#### (1) Non-consolidated operating results

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	%
Year ended March 31, 2024	9,947	13.1	3,612	21.4	3,562	21.8	2,312	28.0
Year ended March 31, 2023	8,796	38.6	2,976	210.4	2,924	211.9	1,807	218.3

	Earnings per share	Diluted earnings per share	Profit/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	163.14	–	24.7	16.0	36.3
Year ended March 31, 2023	127.48	–	24.4	13.9	33.8

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

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	22,860	10,433	45.6	736.02
As of March 31, 2023	21,611	8,291	38.4	584.88

#### (3) Non-consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	2,842	(1,161)	(872)	5,586
Year ended March 31, 2023	2,996	(194)	(1,303)	4,777

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Non-consolidated)	Ratio of dividends to net assets (Non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	0.00	–	12.00	12.00	170	9.4	2.1
Year ended March 31, 2024	–	0.00	–	16.00	16.00	226	9.8	2.2
Year ending March 31, 2025 (Forecast)	–	0.00	–	17.00	17.00		10.4	

3. Forecast of non-consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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
Six months ending September 30, 2024	4,947	2.0	1,743	(1.6)	1,708	(2.1)	1,078	(0.1)	77.46
Full year	10,300	3.5	3,690	2.1	3,620	1.6	2,320	0.3	163.66

4. Notes

(1) 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

(2) Number of issued shares (common shares)

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

As of March 31, 2024	14,176,000 shares	As of March 31, 2023	14,176,000 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	427 shares	As of March 31, 2023	382 shares
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Average number of shares during the period

Year ended March 31, 2024	14,175,580 shares	Year ended March 31, 2023	14,175,629 shares
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**Non-consolidated financial statements**  
**Non-consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	4,777,649	5,586,025
Accounts receivable - trade	616,904	638,501
Supplies	22,410	19,817
Prepaid expenses	60,391	63,913
Other	13,276	4,715
<b>Total current assets</b>	<b>5,490,632</b>	<b>6,312,974</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	13,715,897	14,069,808
Accumulated depreciation	(2,975,852)	(3,390,271)
Buildings, net	10,740,045	10,679,537
Structures	732,564	759,873
Accumulated depreciation	(321,271)	(364,428)
Structures, net	411,293	395,444
Machinery and equipment	79,974	79,974
Accumulated depreciation	(47,946)	(54,377)
Machinery and equipment, net	32,028	25,596
Tools, furniture and fixtures	273,774	284,178
Accumulated depreciation	(227,888)	(246,453)
Tools, furniture and fixtures, net	45,886	37,725
Land	962,809	1,484,212
Leased assets	4,200,145	4,317,606
Accumulated depreciation	(1,328,026)	(1,578,536)
Leased assets, net	2,872,119	2,739,069
Construction in progress	220,950	336,943
<b>Total property, plant and equipment</b>	<b>15,285,132</b>	<b>15,698,530</b>
<b>Intangible assets</b>		
Software	2,305	5,525
Other	25,785	24,942
<b>Total intangible assets</b>	<b>28,090</b>	<b>30,467</b>
<b>Investments and other assets</b>		
Investment securities	500	500
Investments in capital	40	40
Long-term prepaid expenses	3,813	14,301
Deferred tax assets	216,838	218,111
Leasehold and guarantee deposits	585,737	584,802
Membership	950	950
<b>Total investments and other assets</b>	<b>807,879</b>	<b>818,705</b>
<b>Total non-current assets</b>	<b>16,121,102</b>	<b>16,547,702</b>
<b>Total assets</b>	<b>21,611,734</b>	<b>22,860,676</b>

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Short-term borrowings	–	130,000
Current portion of long-term borrowings	1,547,394	1,621,626
Lease liabilities	316,213	387,701
Accounts payable - other	702,815	722,384
Accrued expenses	95,583	123,184
Income taxes payable	954,399	770,917
Contract liabilities	82,503	124,754
Deposits received	8,604	14,236
Other	274,651	161,874
<b>Total current liabilities</b>	<b>3,982,164</b>	<b>4,056,679</b>
<b>Non-current liabilities</b>		
Long-term borrowings	5,720,240	4,937,692
Lease liabilities	2,638,877	2,443,305
Provision for retirement benefits	2,823	3,949
Provision for retirement benefits for directors (and other officers)	41,640	49,380
Asset retirement obligations	889,260	899,102
Guarantee deposits received	45,670	37,100
<b>Total non-current liabilities</b>	<b>9,338,511</b>	<b>8,370,529</b>
<b>Total liabilities</b>	<b>13,320,676</b>	<b>12,427,209</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	953,920	953,920
<b>Capital surplus</b>		
Legal capital surplus	878,920	878,920
Other capital surplus	508,518	508,518
<b>Total capital surplus</b>	<b>1,387,438</b>	<b>1,387,438</b>
<b>Retained earnings</b>		
Other retained earnings		
Retained earnings brought forward	5,950,467	8,092,996
<b>Total retained earnings</b>	<b>5,950,467</b>	<b>8,092,996</b>
Treasury shares	(766)	(886)
<b>Total shareholders' equity</b>	<b>8,291,058</b>	<b>10,433,467</b>
<b>Total net assets</b>	<b>8,291,058</b>	<b>10,433,467</b>
<b>Total liabilities and net assets</b>	<b>21,611,734</b>	<b>22,860,676</b>

## Non-consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	8,796,150	9,947,923
Cost of sales	5,307,282	5,752,092
Gross profit	3,488,868	4,195,830
Selling, general and administrative expenses		
Promotion expenses	5,520	5,170
Sales commission	130,574	168,082
Remuneration for directors (and other officers)	89,440	91,662
Provision for retirement benefits for directors (and other officers)	7,090	7,740
Salaries and bonuses	118,219	117,339
Retirement benefit expenses	1,373	1,187
Rent expenses	14,801	19,287
Taxes and dues	67,996	82,351
Depreciation	1,400	1,994
Other	75,765	88,587
Total selling, general and administrative expenses	512,183	583,405
Operating profit	2,976,684	3,612,425
Non-operating income		
Interest income	25	33
Commission income	25,132	25,086
Rental income	4,398	2,329
Subsidy income	4,811	3,745
Other	5,656	4,974
Total non-operating income	40,023	36,167
Non-operating expenses		
Interest expenses	72,546	67,046
Compensation Income for loss claims	16,368	13,694
Other	3,633	4,935
Total non-operating expenses	92,548	85,675
Ordinary profit	2,924,160	3,562,917
Extraordinary income		
Gain on sale of non-current assets	27,584	32,598
Total extraordinary income	27,584	32,598
Extraordinary losses		
Loss on retirement of non-current assets	859	–
Impairment losses	84,133	–
Total extraordinary losses	84,992	–
Profit before income taxes	2,866,752	3,595,516
Income taxes - current	1,101,247	1,284,152
Income taxes - deferred	(41,555)	(1,272)
Total income taxes	1,059,691	1,282,879
Profit	1,807,060	2,312,636

## Non-consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
Balance at beginning of period	953,920	878,920	508,518	1,387,438	4,200,109	4,200,109	(723)	6,540,744
Changes during period								
Dividends of surplus					(56,702)	(56,702)		(56,702)
Profit					1,807,060	1,807,060		1,807,060
Purchase of treasury shares							(43)	(43)
Total changes during period	–	–	–	–	1,750,358	1,750,358	(43)	1,750,314
Balance at end of period	953,920	878,920	508,518	1,387,438	5,950,467	5,950,467	(766)	8,291,058

	Total net assets
Balance at beginning of period	6,540,744
Changes during period	
Dividends of surplus	(56,702)
Profit	1,807,060
Purchase of treasury shares	(43)
Total changes during period	1,750,314
Balance at end of period	8,291,058

Fiscal year ended arch 31, 2024

(Thousands of yen)

	Shareholders' equity							
	Share capital	Capital surplus			Retained earnings		Treasury shares	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings	Total retained earnings		
					Retained earnings brought forward			
Balance at beginning of period	953,920	878,920	508,518	1,387,438	5,950,467	5,950,467	(766)	8,291,058
Changes during period								
Dividends of surplus					(170,107)	(170,107)		(170,107)
Profit					2,312,636	2,312,636		2,312,636
Purchase of treasury shares							(119)	(119)
Total changes during period	–	–	–	–	2,142,528	2,142,528	(119)	2,142,408
Balance at end of period	953,920	878,920	508,518	1,387,438	8,092,996	8,092,996	(886)	10,433,467

	Total net assets
Balance at beginning of period	8,291,058
Changes during period	
Dividends of surplus	(170,107)
Profit	2,312,636
Purchase of treasury shares	(119)
Total changes during period	2,142,408
Balance at end of period	10,433,467

## Non-consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	2,866,752	3,595,516
Depreciation	766,877	775,475
Increase (decrease) in provision for retirement benefits for directors (and other officers)	7,090	7,740
Increase (decrease) in provision for retirement benefits	1,235	1,125
Gain on sale of non-current assets	(27,584)	(32,598)
Loss on retirement of non-current assets	859	–
Impairment losses	84,133	–
Interest and dividend income	(25)	(33)
Interest expenses	72,546	67,046
Decrease (increase) in trade receivables	(248,891)	(21,597)
Decrease (increase) in inventories	(4,019)	2,593
Increase/decrease in consumption taxes payable/consumption taxes refund receivable	5,949	(115,103)
Decrease (increase) in other assets	(3,974)	(5,565)
Increase (decrease) in other liabilities	116,413	95,234
Subtotal	3,637,361	4,369,833
Interest and dividends received	25	33
Interest paid	(72,259)	(66,756)
Income taxes paid	(568,138)	(1,460,225)
Net cash provided by (used in) operating activities	2,996,988	2,842,884
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	187,922	112,000
Purchase of property, plant and equipment	(376,622)	(1,267,552)
Payments of guarantee deposits	(4,843)	(275)
Other, net	(883)	(6,069)
Net cash provided by (used in) investing activities	(194,427)	(1,161,896)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	130,000
Proceeds from long-term borrowings	600,000	1,050,000
Repayments of long-term borrowings	(1,720,902)	(1,758,316)
Dividends paid	(56,701)	(170,092)
Purchase of treasury shares	(43)	(119)
Repayments of lease liabilities	(270,941)	(280,245)
Proceeds from sale and leaseback transactions	145,205	156,161
Net cash provided by (used in) financing activities	(1,303,383)	(872,612)
Net increase (decrease) in cash and cash equivalents	1,499,178	808,376
Cash and cash equivalents at beginning of period	3,278,470	4,777,649
Cash and cash equivalents at end of period	4,777,649	5,586,025