

May 9, 2025

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

Company name: ABHOTEL CO.,LTD.
 Listing: Tokyo Stock Exchange / Nagoya Stock Exchange
 Securities code: 6565
 URL: <https://www.ab-hotel.jp/>
 Representative: Kazuki Kutsuna, Representative Director and President
 Inquiries: Akiyoshi Oode, Executive Officer, Accounting Department
 Telephone: +81-566-79-3013
 Scheduled date of annual general meeting of shareholders: June 24, 2025
 Scheduled date to commence dividend payments: June 25, 2025
 Scheduled date to file annual securities report: June 27, 2025
 Preparation of supplementary material on financial results: None (-)
 Holding of financial results briefing: Yes (For institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | |
|-------------------|-----------------|------|------------------|------|-----------------|------|-----------------|------|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 10,679 | 7.3 | 3,962 | 9.7 | 3,908 | 9.7 | 2,542 | 9.9 |
| March 31, 2024 | 9,947 | 13.1 | 3,612 | 21.4 | 3,562 | 21.8 | 2,312 | 28.0 |

| | Basic earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|-------------------|--------------------------|----------------------------|------------------|--|--|
| Fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2025 | 179.36 | - | 21.9 | 15.9 | 37.1 |
| March 31, 2024 | 163.14 | - | 24.7 | 16.0 | 36.3 |

Note: Net income per share after adjustment for potential shares is not shown because there are no potential shares.

(2) Non-consolidated financial position

| | Total assets | Net assets | Equity-to-asset ratio | Net assets per share |
|----------------|-----------------|-----------------|-----------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 26,285 | 12,749 | 48.5 | 899.37 |
| March 31, 2024 | 22,860 | 10,433 | 45.6 | 736.02 |

Reference: Equity

As of March 31, 2025: ¥12,749 million

As of March 31, 2024: ¥10,433 million

(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 |
|-------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended | Millions of yen | Millions of yen | Millions of yen | Millions of yen |
| March 31, 2025 | 3,277 | (3,778) | 836 | 5,920 |
| March 31, 2024 | 2,842 | (1,161) | (872) | 5,586 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio | Ratio of dividends to net assets |
|---------------------------|----------------------------|--------------------|-------------------|-----------------|-------|------------------------------|--------------|----------------------------------|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| Fiscal year ended | Yen | Yen | Yen | Yen | Yen | Millions of yen | % | % |
| March 31, 2024 | - | 0.00 | - | 16.00 | 16.00 | 226 | 9.8 | 2.2 |
| March 31, 2025 | - | 0.00 | - | 20.00 | 20.00 | 283 | 11.2 | 2.2 |
| March 31, 2026 (Forecast) | | 0.00 | | 20.00 | 20.00 | | 11.5 | |

Note: Breakdown of year-end dividends for the fiscal year ending March 31, 2025: Ordinary dividend of 17 yen and commemorative dividend of 3 yen (10th anniversary dividend)

3. Forecast of non-consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit | | Basic earnings per share |
|--------------------------------------|-----------------|-----|------------------|-----|-----------------|-------|-----------------|-------|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | |
| Six months ending September 30, 2025 | 5,497 | 6.0 | 1,922 | 0.0 | 1,882 | (1.1) | 1,152 | (2.9) | 81.27 |
| Fiscal year ending March 31, 2026 | 11,400 | 6.8 | 4,110 | 3.7 | 4,030 | 3.1 | 2,460 | (3.2) | 173.54 |

* **Notes**

(1) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(2) Number of issued shares (common shares)

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

| | |
|----------------------|-------------------|
| As of March 31, 2025 | 14,176,000 shares |
| As of March 31, 2024 | 14,176,000 shares |

(ii) Number of treasury shares at the end of the period

| | |
|----------------------|------------|
| As of March 31, 2025 | 466 shares |
| As of March 31, 2024 | 427 shares |

(iii) Average number of shares outstanding during the period

| | |
|----------------------------------|-------------------|
| Fiscal year ended March 31, 2025 | 14,175,566 shares |
| Fiscal year ended March 31, 2024 | 14,175,580 shares |

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, such as earnings forecasts, contained in this material are based on information available to the Company and certain assumptions that the Company deems reasonable, and are not intended to be a promise by the Company to realize them. Actual financial results, etc. may differ substantially due to various factors. For the conditions on which earnings forecasts are predicated and precautions for the use of earnings forecasts, please refer to Appendix P3 "1. Please refer to "Summary of Business Results (4) Future Outlook".

Balance sheet

(Thousands of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|-------------------------------------|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 5,586,025 | 5,920,492 |
| Accounts receivable - trade | 638,501 | 695,413 |
| Supplies | 19,817 | 21,679 |
| Prepaid expenses | 63,913 | 53,579 |
| Other | 4,715 | 47,038 |
| Total current assets | 6,312,974 | 6,738,203 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings | 14,069,808 | 16,220,597 |
| Accumulated depreciation | (3,390,271) | (3,862,491) |
| Buildings, net | 10,679,537 | 12,358,106 |
| Structures | 759,873 | 844,496 |
| Accumulated depreciation | (364,428) | (411,941) |
| Structures, net | 395,444 | 432,555 |
| Machinery and equipment | 79,974 | 87,692 |
| Accumulated depreciation | (54,377) | (61,072) |
| Machinery and equipment, net | 25,596 | 26,619 |
| Tools, furniture and fixtures | 284,178 | 314,269 |
| Accumulated depreciation | (246,453) | (267,128) |
| Tools, furniture and fixtures, net | 37,725 | 47,140 |
| Land | 1,484,212 | 2,654,802 |
| Leased assets | 4,317,606 | 4,550,989 |
| Accumulated depreciation | (1,578,536) | (1,791,326) |
| Leased assets, net | 2,739,069 | 2,759,663 |
| Construction in progress | 336,943 | 411,460 |
| Total property, plant and equipment | 15,698,530 | 18,690,347 |
| Intangible assets | | |
| Software | 5,525 | 6,084 |
| Other | 24,942 | 25,077 |
| Total intangible assets | 30,467 | 31,161 |
| Investments and other assets | | |
| Investment securities | 500 | 500 |
| Investments in capital | 40 | 40 |
| Long-term prepaid expenses | 14,301 | 6,928 |
| Deferred tax assets | 218,111 | 264,554 |
| Leasehold and guarantee deposits | 584,802 | 552,894 |
| Membership | 950 | 950 |
| Total investments and other assets | 818,705 | 825,867 |
| Total non-current assets | 16,547,702 | 19,547,376 |
| Total assets | 22,860,676 | 26,285,579 |

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Short-term borrowings | 130,000 | 521,000 |
| Current portion of long-term borrowings | 1,621,626 | 1,670,506 |
| Lease liabilities | 387,701 | 427,462 |
| Accounts payable - other | 722,384 | 766,329 |
| Accrued expenses | 123,184 | 155,880 |
| Income taxes payable | 770,917 | 807,986 |
| Contract liabilities | 124,754 | 210,141 |
| Deposits received | 14,236 | 9,369 |
| Other | 161,874 | 102 |
| Total current liabilities | 4,056,679 | 4,568,778 |
| Non-current liabilities | | |
| Long-term borrowings | 4,937,692 | 5,533,686 |
| Lease liabilities | 2,443,305 | 2,430,611 |
| Provision for retirement benefits | 3,949 | 5,018 |
| Provision for retirement benefits for directors (and other officers) | 49,380 | 57,770 |
| Asset retirement obligations | 899,102 | 909,111 |
| Guarantee deposits received | 37,100 | 31,535 |
| Total non-current liabilities | 8,370,529 | 8,967,732 |
| Total liabilities | 12,427,209 | 13,536,511 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 953,920 | 953,920 |
| Capital surplus | | |
| Legal capital surplus | 878,920 | 878,920 |
| Other capital surplus | 508,518 | 508,518 |
| Total capital surplus | 1,387,438 | 1,387,438 |
| Retained earnings | | |
| Other retained earnings | | |
| Retained earnings brought forward | 8,092,996 | 10,408,652 |
| Total retained earnings | 8,092,996 | 10,408,652 |
| Treasury shares | (886) | (941) |
| Total shareholders' equity | 10,433,467 | 12,749,068 |
| Total net assets | 10,433,467 | 12,749,068 |
| Total liabilities and net assets | 22,860,676 | 26,285,579 |

Statement of income

(Thousands of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 9,947,923 | 10,679,046 |
| Cost of sales | 5,752,092 | 6,053,189 |
| Gross profit | 4,195,830 | 4,625,856 |
| Selling, general and administrative expenses | | |
| Promotion expenses | 5,170 | 2,127 |
| Sales commission | 168,082 | 188,031 |
| Remuneration for directors (and other officers) | 91,662 | 99,693 |
| Provision for retirement benefits for directors (and other officers) | 7,740 | 8,390 |
| Salaries and bonuses | 117,339 | 138,465 |
| Retirement benefit expenses | 1,187 | 1,369 |
| Rent expenses | 19,287 | 16,850 |
| Taxes and dues | 82,351 | 103,878 |
| Depreciation | 1,994 | 2,332 |
| Other | 88,587 | 101,881 |
| Total selling, general and administrative expenses | 583,405 | 663,019 |
| Operating profit | 3,612,425 | 3,962,837 |
| Non-operating income | | |
| Interest income | 33 | 2,043 |
| Commission income | 25,086 | 24,399 |
| Subsidy income | 3,745 | 1,889 |
| Other | 7,303 | 10,607 |
| Total non-operating income | 36,167 | 38,940 |
| Non-operating expenses | | |
| Interest expenses | 67,046 | 76,255 |
| Compensation Income for loss claims | 13,694 | 11,839 |
| Other | 4,935 | 5,007 |
| Total non-operating expenses | 85,675 | 93,102 |
| Ordinary profit | 3,562,917 | 3,908,675 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 32,598 | - |
| Total extraordinary income | 32,598 | - |
| Profit before income taxes | 3,595,516 | 3,908,675 |
| Income taxes - current | 1,284,152 | 1,412,653 |
| Income taxes - deferred | (1,272) | (46,443) |
| Total income taxes | 1,282,879 | 1,366,209 |
| Profit | 2,312,636 | 2,542,465 |

Statement of changes in equity

Fiscal year ended March 31, 2024

(Thousands of yen)

| | Shareholders' equity | | | | | | | | Total net assets |
|--------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-----------------|----------------------------|------------------|
| | 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 | 5,950,467 | 5,950,467 | (766) | 8,291,058 | 8,291,058 |
| Dividends of surplus | | | | | (170,107) | (170,107) | | (170,107) | (170,107) |
| Profit | | | | | 2,312,636 | 2,312,636 | | 2,312,636 | 2,312,636 |
| Purchase of treasury shares | | | | | | | (119) | (119) | (119) |
| Total changes during period | - | - | - | - | 2,142,528 | 2,142,528 | (119) | 2,142,408 | 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 | 10,433,467 |

Statement of changes in equity

Fiscal year ended March 31, 2025

(Thousands of yen)

| | Shareholders' equity | | | | | | | | Total net assets |
|--------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-------------------------|-----------------|----------------------------|------------------|
| | 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 | 8,092,996 | 8,092,996 | (886) | 10,433,467 | 10,433,467 |
| Dividends of surplus | | | | | (226,809) | (226,809) | | (226,809) | (226,809) |
| Profit | | | | | 2,542,465 | 2,542,465 | | 2,542,465 | 2,542,465 |
| Purchase of treasury shares | | | | | | | (55) | (55) | (55) |
| Total changes during period | - | - | - | - | 2,315,656 | 2,315,656 | (55) | 2,315,600 | 2,315,600 |
| Balance at end of period | 953,920 | 878,920 | 508,518 | 1,387,438 | 10,408,652 | 10,408,652 | (941) | 12,749,068 | 12,749,068 |

Statement of cash flows

(Thousands of yen)

| | Fiscal year ended March 31, 2024 | Fiscal year ended March 31, 2025 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit before income taxes | 3,595,516 | 3,908,675 |
| Depreciation | 775,475 | 853,868 |
| Increase (decrease) in provision for retirement benefits for directors (and other officers) | 7,740 | 8,390 |
| Increase (decrease) in provision for retirement benefits | 1,125 | 1,069 |
| Gain on sale of non-current assets | (32,598) | - |
| Interest and dividend income | (33) | (2,043) |
| Interest expenses | 67,046 | 76,255 |
| Decrease (increase) in trade receivables | (21,597) | (56,912) |
| Decrease (increase) in inventories | 2,593 | (1,861) |
| Increase/decrease in consumption taxes payable/consumption taxes refund receivable | (115,103) | (208,183) |
| Decrease (increase) in other assets | (5,565) | 20,395 |
| Increase (decrease) in other liabilities | 95,234 | 128,397 |
| Subtotal | 4,369,833 | 4,728,051 |
| Interest and dividends received | 33 | 2,043 |
| Interest paid | (66,756) | (77,054) |
| Income taxes paid | (1,460,225) | (1,375,923) |
| Net cash provided by (used in) operating activities | 2,842,884 | 3,277,116 |
| Cash flows from investing activities | | |
| Proceeds from sale of property, plant and equipment | 112,000 | - |
| Purchase of property, plant and equipment | (1,267,552) | (3,805,804) |
| Payments of guarantee deposits | (275) | (100) |
| Other, net | (6,069) | 27,135 |
| Net cash provided by (used in) investing activities | (1,161,896) | (3,778,769) |
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 130,000 | 391,000 |
| Proceeds from long-term borrowings | 1,050,000 | 2,400,000 |
| Repayments of long-term borrowings | (1,758,316) | (1,755,126) |
| Dividends paid | (170,092) | (226,767) |
| Purchase of treasury shares | (119) | (55) |
| Repayments of lease liabilities | (280,245) | (295,677) |
| Proceeds from sale and leaseback transactions | 156,161 | 322,745 |
| Net cash provided by (used in) financing activities | (872,612) | 836,119 |
| Net increase (decrease) in cash and cash equivalents | 808,376 | 334,466 |
| Cash and cash equivalents at beginning of period | 4,777,649 | 5,586,025 |
| Cash and cash equivalents at end of period | 5,586,025 | 5,920,492 |