

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended June 30, 2023 (Based on Japanese GAAP)

August 10, 2023

Company name: CE Holdings Co.,Ltd.
 Stock exchange listing: Tokyo, Sapporo
 Stock code: 4320 URL <https://www.ce-hd.co.jp>
 Representative: Representative Director and President & CEO(Chief Executive Officer) Naokazu Saito
 Inquiries: Director & CFO(Chief Financial Officer) Tsunehito Taguchi TEL 011(861)1600
 Scheduled date to file Quarterly Securities Report: August 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended June 30, 2023 (from October 1, 2022 to June 30, 2023)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended June 30, 2023	9,745	(4.3)	885	23.9	895	23.1	520	43.7
Nine months ended June 30, 2022	10,184	–	714	–	727	–	362	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended June 30, 2023	34.75	–
Nine months ended June 30, 2022	24.13	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	9,993	6,362	59.2
As of September 30, 2022	10,905	6,082	51.6

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 September 30, 2022	–	0.00	–	12.00	12.00
Year ending September 30, 2023	–	0.00	–		
Year ending September 30, 2023 (Forecast)				13.00	13.00

3. Forecast of consolidated financial results for the year ending September 30, 2023 (from October 1, 2022 to September 30, 2023)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	14,350	4.7	1,250	21.2	1,250	19.7	690	17.3	46.08

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended June 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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

(4) Number of issued shares (common shares)

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

As of June 30, 2023	15,347,600 shares	As of September 30, 2022	15,273,500 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	398,114 shares	As of September 30, 2022	217,014 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended June 30, 2023	14,983,900 shares	Nine months ended June 30, 2022	15,017,164 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of September 30, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	3,958,521	3,685,332
Notes and accounts receivable - trade, and contract assets	2,440,141	1,686,236
Merchandise and finished goods	3,421	3,958
Work in process	345,520	283,106
Raw materials and supplies	1,272	2,836
Accounts receivable - other	1,996	4,223
Other	359,131	346,518
Allowance for doubtful accounts	(9,227)	(5,756)
Total current assets	7,100,777	6,006,455
Non-current assets		
Property, plant and equipment	1,739,851	1,760,905
Intangible assets		
Goodwill	369,645	334,869
Other	618,197	791,375
Total intangible assets	987,843	1,126,245
Investments and other assets		
Investment securities	435,750	448,881
Other	687,655	651,640
Allowance for doubtful accounts	(46,479)	(360)
Total investments and other assets	1,076,926	1,100,161
Total non-current assets	3,804,621	3,987,312
Total assets	10,905,398	9,993,767
Liabilities		
Current liabilities		
Accounts payable - trade	1,179,379	590,078
Short-term borrowings	100,000	–
Current portion of bonds payable	5,000	–
Current portion of long-term borrowings	598,042	529,757
Income taxes payable	305,077	137,941
Provision for bonuses	227,627	268,340
Contract liabilities	308,229	424,579
Other	539,342	492,774
Total current liabilities	3,262,698	2,443,471
Non-current liabilities		
Long-term borrowings	1,186,822	805,794
Retirement benefit liability	194,116	208,659
Other	179,652	173,359
Total non-current liabilities	1,560,591	1,187,813
Total liabilities	4,823,289	3,631,284
Net assets		
Shareholders' equity		
Share capital	1,198,552	1,218,077
Capital surplus	1,224,404	1,243,929
Retained earnings	3,291,991	3,631,970
Treasury shares	(100,410)	(200,373)
Total shareholders' equity	5,614,537	5,893,603
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	10,479	23,122
Total accumulated other comprehensive income	10,479	23,122
Non-controlling interests	457,091	445,757
Total net assets	6,082,108	6,362,483
Total liabilities and net assets	10,905,398	9,993,767

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended June 30, 2022	Nine months ended June 30, 2023
Net sales	10,184,608	9,745,959
Cost of sales	7,931,491	7,149,945
Gross profit	2,253,116	2,596,013
Selling, general and administrative expenses	1,538,127	1,710,323
Operating profit	714,989	885,690
Non-operating income		
Interest income	44	234
Dividend income	2,260	1,990
Gain on sale of investment securities	39	6,727
Other	16,430	8,981
Total non-operating income	18,774	17,932
Non-operating expenses		
Interest expenses	5,695	5,232
Loss on investments in investment partnerships	665	1,537
Other	–	1,446
Total non-operating expenses	6,361	8,216
Ordinary profit	727,402	895,406
Extraordinary income		
Reversal of allowance for doubtful accounts	–	25,277
Surrender value of insurance policies	89,664	–
Gain on redemption of investment securities	120	120
Total extraordinary income	89,784	25,397
Extraordinary losses		
Retirement benefits for directors (and other officers)	60,800	–
Loss on retirement of non-current assets	6,827	1,582
Total extraordinary losses	67,627	1,582
Profit before income taxes	749,558	919,222
Income taxes - current	377,229	350,719
Income taxes - deferred	(37,335)	19,981
Total income taxes	339,893	370,700
Profit	409,665	548,521
Profit attributable to		
Profit attributable to owners of parent	362,386	520,656
Profit attributable to non-controlling interests	47,278	27,865
Other comprehensive income		
Valuation difference on available-for-sale securities	(14,375)	12,643
Total other comprehensive income	(14,375)	12,643
Comprehensive income	395,289	561,165
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	348,010	533,299
Comprehensive income attributable to non-controlling interests	47,278	27,865