

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended August 31, 2022 (Based on Japanese GAAP)

October 13, 2022

Company name: E·J Holdings Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 2153 URL <https://www.ej-hds.co.jp>  
 Representative: President Yuji Kotani  
 Inquiries: Director Masanori Hamano TEL 086(252)7520  
 Scheduled date to file Quarterly Securities Report: October 14, 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. Consolidated financial results for the three months ended August 31, 2022 (from June 1, 2022 to August 31, 2022)

(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                         | % |
| Three months ended August 31, 2022 | 3,648           | (2.6) | (825)            | – | (754)           | – | (586)                                   | – |
| Three months ended August 31, 2021 | 3,745           | –     | (591)            | – | (577)           | – | (448)                                   | – |

|                                    | Earnings per share | Diluted earnings per share |
|------------------------------------|--------------------|----------------------------|
|                                    | Yen                | Yen                        |
| Three months ended August 31, 2022 | (37.58)            | –                          |
| Three months ended August 31, 2021 | (28.19)            | –                          |

(2) Consolidated financial position

|                       | Total assets    | Net assets      | Equity ratio |
|-----------------------|-----------------|-----------------|--------------|
|                       | Millions of yen | Millions of yen | %            |
| As of August 31, 2022 | 34,703          | 26,293          | 75.7         |
| As of May 31, 2022    | 39,240          | 27,544          | 70.2         |

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 May 31, 2022             | –                          | 0.00            | –               | 43.00           | 43.00 |
| Year ending May 31, 2023            | –                          |                 |                 |                 |       |
| Year ending May 31, 2023 (Forecast) |                            | 0.00            | –               | 50.00           | 50.00 |

3. Forecast of consolidated financial results for the year ending May 31, 2023 (from June 1, 2022 to May 31, 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 | 37,000          | 0.9 | 4,600            | 2.4 | 4,800           | 2.0 | 3,200                                   | 2.5 | 202.43             |

4. Notes

- (1) Changes in significant subsidiaries during the three months ended August 31, 2022  
(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 August 31, 2022 | 16,078,920 shares | As of May 31, 2022 | 16,078,920 shares |
|-----------------------|-------------------|--------------------|-------------------|

Number of treasury shares at the end of the period

|                       |                |                    |                |
|-----------------------|----------------|--------------------|----------------|
| As of August 31, 2022 | 463,740 shares | As of May 31, 2022 | 463,740 shares |
|-----------------------|----------------|--------------------|----------------|

Average number of shares during the period (cumulative from the beginning of the fiscal year)

|                                    |                   |                                    |                   |
|------------------------------------|-------------------|------------------------------------|-------------------|
| Three months ended August 31, 2022 | 15,615,180 shares | Three months ended August 31, 2021 | 15,920,363 shares |
|------------------------------------|-------------------|------------------------------------|-------------------|

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

|  | As of May 31, 2022 | As of August 31, 2022 |
|--|--------------------|-----------------------|
| <b>Assets</b>                                    |                    |                       |
| Current assets                                   |                    |                       |
| Cash and deposits                                | 18,090             | 12,737                |
| Accounts receivable - trade, and contract assets | 5,241              | 2,734                 |
| Inventories                                      | 3,613              | 5,613                 |
| Other  | 744                | 1,170                 |
| Allowance for doubtful accounts                  | (6)                | (5)                   |
| Total current assets                             | 27,683             | 22,249                |
| Non-current assets                               |                    |                       |
| Property, plant and equipment                    |                    |                       |
| Buildings and structures, net                    | 2,372              | 2,610                 |
| Land   | 2,335              | 2,335                 |
| Other, net                                       | 586                | 624                   |
| Total property, plant and equipment              | 5,294              | 5,570                 |
| Intangible assets                                |                    |                       |
| Goodwill   | 862                | 831                   |
| Other  | 323                | 594                   |
| Total intangible assets                          | 1,186              | 1,426                 |
| Investments and other assets                     |                    |                       |
| Investment securities                            | 2,946              | 3,035                 |
| Bad debts  | 0                  | 0                     |
| Investment property, net                         | 435                | 433                   |
| Deferred tax assets                              | 504                | 753                   |
| Retirement benefit asset                         | 83                 | 117                   |
| Other  | 1,217              | 1,231                 |
| Allowance for doubtful accounts                  | (112)              | (113)                 |
| Total investments and other assets               | 5,075              | 5,457                 |
| Total non-current assets                         | 11,556             | 12,454                |
| Total assets                                     | 39,240             | 34,703                |

(Millions of yen)

|   | As of May 31, 2022 | As of August 31, 2022 |
|---|--------------------|-----------------------|
| <b>Liabilities</b>  |                    |                       |
| <b>Current liabilities</b>                                    |                    |                       |
| Accounts payable - operating                                  | 1,090              | 312                   |
| Current portion of long-term borrowings                       | 213                | 212                   |
| Income taxes payable  | 1,111              | 102                   |
| Contract liabilities  | 3,692              | 3,877                 |
| Provision for bonuses   | –                  | 794                   |
| Provision for bonuses for directors (and other officers)      | 26                 | –                     |
| Provision for loss on orders received                         | 264                | 274                   |
| Other   | 4,149              | 1,749                 |
| <b>Total current liabilities</b>                              | <b>10,549</b>      | <b>7,323</b>          |
| <b>Non-current liabilities</b>                                |                    |                       |
| Long-term borrowings  | 358                | 305                   |
| Deferred tax liabilities                                      | 55                 | 51                    |
| Retirement benefit liability                                  | 384                | 357                   |
| Provision for share awards for directors (and other officers) | 78                 | 89                    |
| Provision for Employee Stock Ownership Plan Trust             | 31                 | 34                    |
| Long-term accounts payable - other                            | 176                | 176                   |
| Provision for loss on guarantees                              | 10                 | 9                     |
| Other   | 52                 | 62                    |
| <b>Total non-current liabilities</b>                          | <b>1,146</b>       | <b>1,087</b>          |
| <b>Total liabilities</b>                                      | <b>11,696</b>      | <b>8,410</b>          |
| <b>Net assets</b>   |                    |                       |
| <b>Shareholders' equity</b>                                   |                    |                       |
| Share capital   | 2,803              | 2,803                 |
| Capital surplus   | 4,379              | 4,379                 |
| Retained earnings   | 20,050             | 18,771                |
| Treasury shares   | (467)              | (467)                 |
| <b>Total shareholders' equity</b>                             | <b>26,765</b>      | <b>25,486</b>         |
| <b>Accumulated other comprehensive income</b>                 |                    |                       |
| Valuation difference on available-for-sale securities         | 612                | 652                   |
| Foreign currency translation adjustment                       | (0)                | (1)                   |
| Remeasurements of defined benefit plans                       | 160                | 147                   |
| <b>Total accumulated other comprehensive income</b>           | <b>771</b>         | <b>798</b>            |
| <b>Non-controlling interests</b>                              | <b>7</b>           | <b>7</b>              |
| <b>Total net assets</b>                                       | <b>27,544</b>      | <b>26,293</b>         |
| <b>Total liabilities and net assets</b>                       | <b>39,240</b>      | <b>34,703</b>         |

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

|   | Three months ended<br>August 31, 2021 | Three months ended<br>August 31, 2022 |
|---|---------------------------------------|---------------------------------------|
| Net sales   | 3,745                                 | 3,648                                 |
| Cost of sales   | 2,591                                 | 2,589                                 |
| Gross profit  | 1,153                                 | 1,058                                 |
| Selling, general and administrative expenses                  | 1,744                                 | 1,884                                 |
| Operating loss  | (591)                                 | (825)                                 |
| Non-operating income  |                                       |                                       |
| Interest income   | 4                                     | 4                                     |
| Dividend income   | 13                                    | 14                                    |
| Share of profit of entities accounted for using equity method | 9                                     | 32                                    |
| Rental income from real estate                                | 8                                     | 8                                     |
| Other   | 6                                     | 32                                    |
| Total non-operating income                                    | 42                                    | 92                                    |
| Non-operating expenses  |                                       |                                       |
| Interest expenses   | 1                                     | 0                                     |
| Rental expenses on real estate                                | 5                                     | 3                                     |
| Guarantee commission  | 2                                     | 3                                     |
| Provision of allowance for doubtful accounts                  | 1                                     | 11                                    |
| Foreign exchange losses                                       | 6                                     | –                                     |
| Settlement payments   | 7                                     | –                                     |
| Other   | 3                                     | 2                                     |
| Total non-operating expenses                                  | 28                                    | 21                                    |
| Ordinary loss   | (577)                                 | (754)                                 |
| Extraordinary losses  |                                       |                                       |
| Loss on retirement of non-current assets                      | 1                                     | 24                                    |
| Office relocation expenses                                    | –                                     | 6                                     |
| Total extraordinary losses                                    | 1                                     | 31                                    |
| Loss before income taxes                                      | (579)                                 | (785)                                 |
| Income taxes - current  | 100                                   | 63                                    |
| Income taxes - deferred                                       | (230)                                 | (261)                                 |
| Total income taxes  | (130)                                 | (198)                                 |
| Loss  | (448)                                 | (586)                                 |
| Loss attributable to owners of parent                         | (448)                                 | (586)                                 |

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

|  | Three months ended<br>August 31, 2021 | Three months ended<br>August 31, 2022 |
|--|---------------------------------------|---------------------------------------|
| Loss   | (448)                                 | (586)                                 |
| Other comprehensive income                                     |                                       |                                       |
| Valuation difference on available-for-sale securities          | 13                                    | 40                                    |
| Foreign currency translation adjustment                        | (0)                                   | (0)                                   |
| Remeasurements of defined benefit plans, net of tax            | (10)                                  | (13)                                  |
| Total other comprehensive income                               | 3                                     | 26                                    |
| Comprehensive income   | (445)                                 | (559)                                 |
| Comprehensive income attributable to                           |                                       |                                       |
| Comprehensive income attributable to owners of parent          | (445)                                 | (559)                                 |
| Comprehensive income attributable to non-controlling interests | (0)                                   | 0                                     |