

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

Consolidated Financial Results for the Three Months Ended December 31, 2022 [Japanese GAAP]

February 10, 2023

Company name: Japan Ecosystem Co., Ltd.

Stock exchange listing: Tokyo, Nagoya

Code number: 9249

URL: <https://www.jp-eco.co.jp/>

Representative: Minoru Matsushima

President

Contact: Atsuhiko Ino

Director in charge of the Management Division

Phone: 0586 - 64 - 9249

Scheduled date of filing quarterly securities report: February 10, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Three Months Ended December 31, 2022 (October 01, 2022 to December 31, 2022)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended December 31, 2022	1,799	0.6	237	3.9	237	(10.6)	489	225.5
December 31, 2021	1,789	-	228	-	265	-	150	-

(Note) Comprehensive income: Three months ended December 31, 2022: ¥ 495 million [241.9%]
Three months ended December 31, 2021: ¥ 144 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended December 31, 2022	181.43	178.80
December 31, 2021	57.14	56.01

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2022	7,572	4,182	54.4
September 30, 2022	6,487	3,795	57.6

(Reference) Equity: As of December 31, 2022: ¥ 4,122 million
As of September 30, 2022: ¥ 3,738 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended September 30, 2022	-	10.00	-	40.00	50.00
Fiscal year ending September 30, 2023	-				
Fiscal year ending September 30, 2023 (Forecast)		25.00	-	26.00	51.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending September 30, 2023 :

Commemorative dividend - yen
Special dividend - yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending September 30, 2023(October 01, 2022 to September 30, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	7,708	6.8	864	8.2	900	5.1	609	49.5	226.28

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended December 31, 2022

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

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

December 31, 2022: 2,695,400 shares

September 30, 2022: 2,695,400 shares

2) Total number of treasury shares at the end of the period:

December 31, 2022: - shares

September 30, 2022: - shares

3) Average number of shares during the period:

Three months ended December 31, 2022: 2,695,400 shares

Three months ended December 31, 2021: 2,629,413 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of September 30,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	1,217,145	2,027,990
Notes and accounts receivable - trade, and contract assets	933,466	1,126,680
Inventories	352,753	439,508
Other	72,799	61,146
Total current assets	2,576,164	3,655,325
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,620,038	1,703,449
Machinery, equipment and vehicles	1,604,292	1,681,117
Land	1,254,807	1,267,458
Other	1,357,798	1,370,610
Accumulated depreciation	(2,524,771)	(2,738,330)
Total property, plant and equipment	3,312,165	3,284,305
Intangible assets	107,644	102,374
Investments and other assets	489,432	529,036
Total non-current assets	3,909,243	3,915,716
Deferred assets	1,961	1,838
Total assets	6,487,369	7,572,881

(Thousand yen)

	As of September 30,2022	As of December 31,2022
Liabilities		
Current liabilities		
Accounts payable - trade	172,253	219,250
Short-term borrowings	10,000	415,000
Current portion of bonds payable	57,000	57,000
Current portion of long-term borrowings	419,932	392,792
Income taxes payable	181,554	211,782
Other	535,269	713,685
Total current liabilities	1,376,010	2,009,510
Non-current liabilities		
Bonds payable	172,000	172,000
Long-term borrowings	975,405	1,038,187
Retirement benefit liability	-	12,826
Asset retirement obligations	97,681	97,798
Other	71,213	60,196
Total non-current liabilities	1,316,299	1,381,007
Total liabilities	2,692,310	3,390,518
Net assets		
Shareholders' equity		
Share capital	761,166	761,166
Capital surplus	672,277	672,277
Retained earnings	2,302,662	2,683,864
Total shareholders' equity	3,736,106	4,117,309
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,203	5,101
Total accumulated other comprehensive income	2,203	5,101
Non-controlling interests	56,748	59,952
Total net assets	3,795,059	4,182,362
Total liabilities and net assets	6,487,369	7,572,881

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Thousand yen)

	For the three months ended December 31, 2021	For the three months ended December 31, 2022
Net sales	1,789,449	1,799,569
Cost of sales	1,284,880	1,223,495
Gross profit	504,569	576,074
Selling, general and administrative expenses	276,115	338,747
Operating profit	228,453	237,326
Non-operating income		
Subsidy income	13,493	1,483
Surrender value of insurance policies	43,238	-
Other	3,565	2,350
Total non-operating income	60,297	3,833
Non-operating expenses		
Interest expenses	2,390	1,920
Loss on investments in silent partnerships	-	1,560
Listing expenses	20,526	-
Other	194	210
Total non-operating expenses	23,112	3,692
Ordinary profit	265,638	237,468
Extraordinary income		
Gain on sale of non-current assets	-	428,136
Gain on bargain purchase	-	39,661
Total extraordinary income	-	467,798
Profit before income taxes	265,638	705,266
Income taxes	120,284	213,044
Profit	145,354	492,221
Profit (loss) attributable to non-controlling interests	(4,887)	3,203
Profit attributable to owners of parent	150,241	489,018

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousand yen)

	For the three months ended December 31,2021	For the three months ended December 31,2022
Profit	145,354	492,221
Other comprehensive income		
Valuation difference on available-for-sale securities	(524)	2,897
Total other comprehensive income	(524)	2,897
Comprehensive income	144,829	495,119
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	149,717	491,915
Comprehensive income attributable to non-controlling interests	(4,887)	3,203