

Translation

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

September 14, 2023

Company name: ITbook Holdings Co., LTD.
 Stock exchange listing: Tokyo
 Stock code: 1447 URL <https://www.itbook-hd.co.jp>
 Representative: President & Representative Director Toshimori Mae
 Inquiries: Executive officer, CFO Takashi Noma TEL 03-6770-9970
 Scheduled date to file Quarterly Securities Report: September 14, 2023
 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 June 30, 2023 (from April 1, 2023 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	%
Three months ended June 30, 2023	6,851	2.2	(30)	–	20	–	2	–
Three months ended June 30, 2022	6,705	17.6	(203)	–	(130)	–	(286)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	0.12	–
Three months ended June 30, 2022	(12.78)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	15,184	2,914	17.0
As of March 31, 2023	16,771	2,977	15.6

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 March 31, 2023	–	0.00	–	0.00	0.00
Year ending March 31, 2024	–				
Year ending March 31, 2024 (Forecast)		0.00	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	34,400	12.7	1,000	35.2	900	27.0	500	207.7	20.70

4. Notes

- (1) Changes in significant subsidiaries during the three 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: Yes
- (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: No
- 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	24,152,701 shares	As of March 31, 2023	24,152,701 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	19,707 shares	As of March 31, 2023	19,422 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	24,133,135 shares	Three months ended June 30, 2022	22,396,411 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	3,794,009	3,398,561
Notes and accounts receivable - trade, and contract assets	6,049,224	4,695,940
Operating loans	160,561	115,324
Merchandise and finished goods	175,261	173,350
Costs on construction contracts in progress	129,580	141,946
Real estate for sale	418,322	605,067
Raw materials and supplies	148,130	134,209
Work in process	25,583	204,646
Other	988,601	799,095
Allowance for doubtful accounts	(53,967)	(64,125)
Total current assets	11,835,308	10,204,016
Non-current assets		
Property, plant and equipment		
Leased assets	419,487	389,748
Other	2,077,961	2,091,496
Total property, plant and equipment	2,497,448	2,481,244
Intangible assets		
Goodwill	760,850	724,920
Other	424,510	407,851
Total intangible assets	1,185,360	1,132,772
Investments and other assets		
Investment securities	69,002	215,508
Deferred tax assets	236,479	258,177
Other	991,746	938,613
Allowance for doubtful accounts	(44,949)	(46,903)
Total investments and other assets	1,252,278	1,365,395
Total non-current assets	4,935,088	4,979,412
Deferred assets	999	682
Total assets	16,771,396	15,184,112
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,922,726	1,896,272
Short-term borrowings	4,869,635	3,520,696
Current portion of bonds payable	141,000	136,000
Current portion of long-term borrowings	453,542	414,959
Income taxes payable	259,942	206,393
Accounts payable - other	743,235	769,468
Lease liabilities	135,818	128,895
Provision for bonuses	297,641	380,425
Other	1,263,371	1,273,213
Total current liabilities	10,086,915	8,726,324
Non-current liabilities		
Bonds payable	10,000	10,000
Long-term borrowings	2,856,160	2,727,222
Lease liabilities	389,274	361,562
Provision for loss on guarantee	31,660	34,821
Retirement benefit liability	56,179	54,475
Other	363,735	355,436
Total non-current liabilities	3,707,009	3,543,518
Total liabilities	13,793,925	12,269,843

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Net assets		
Shareholders' equity		
Share capital	1,866,314	1,866,314
Capital surplus	2,953,034	2,953,034
Retained earnings	(2,109,529)	(2,128,939)
Treasury shares	(10,005)	(10,109)
Total shareholders' equity	2,699,813	2,680,300
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	597	753
Foreign currency translation adjustment	(75,923)	(98,796)
Total accumulated other comprehensive income	(75,325)	(98,043)
Share acquisition rights	6,840	6,840
Non-controlling interests	346,143	325,171
Total net assets	2,977,471	2,914,268
Total liabilities and net assets	16,771,396	15,184,112

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	6,705,778	6,851,298
Cost of sales	5,039,452	5,095,020
Gross profit	1,666,326	1,756,277
Selling, general and administrative expenses	1,869,862	1,787,242
Operating loss	(203,536)	(30,965)
Non-operating income		
Interest income	1,356	523
Dividend income	164	177
Subsidy income	–	10,744
Foreign exchange gains	75,755	61,601
Reversal of allowance for doubtful accounts	43	–
Share of profit of entities accounted for using equity method	2,549	13
Other	17,571	4,732
Total non-operating income	97,439	77,793
Non-operating expenses		
Interest expenses	19,757	18,305
Other	4,721	8,402
Total non-operating expenses	24,478	26,708
Ordinary profit (loss)	(130,575)	20,120
Extraordinary income		
Gain on sale of non-current assets	116	3,899
Surrender value of insurance policies	30,462	–
Gain on sale of businesses	–	171,788
Other	1,309	12,740
Total extraordinary income	31,889	188,427
Extraordinary losses		
Loss on retirement of non-current assets	31,845	15,065
Loss on guarantee	9,704	–
Office relocation expenses	15,571	1,717
special investitation costs	–	26,953
Other	4,391	6,146
Total extraordinary losses	61,512	49,881
Profit (loss) before income taxes	(160,198)	158,666
Income taxes - current	151,594	193,602
Income taxes - deferred	(21,852)	(23,170)
Total income taxes	129,742	170,431
Loss	(289,941)	(11,765)
Loss attributable to non-controlling interests	(3,653)	(14,672)
Profit (loss) attributable to owners of parent	(286,287)	2,907

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Loss	(289,941)	(11,765)
Other comprehensive income		
Valuation difference on available-for-sale securities	(92)	157
Foreign currency translation adjustment	(54,719)	(22,873)
Total other comprehensive income	(54,811)	(22,716)
Comprehensive income	(344,752)	(34,481)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(341,690)	(19,810)
Comprehensive income attributable to non-controlling interests	(3,061)	(14,671)