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Consolidated Financial Results for the Year Ended September 30, 2022 [Japanese GAAP]

November 14, 2022

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 Annual General Meeting of Shareholders: December 23, 2022
Scheduled date of commencing dividend payments: December 26, 2022
Scheduled date of filing annual securities report: December 26, 2022
Availability of supplementary briefing material on annual financial results: Yes
Schedule of annual financial results briefing session: Yes

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

1. Consolidated Financial Results for the Fiscal Year Ended September 30, 2022 (October 01, 2021 to September 30, 2022)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2022	7,220	3.4	798	3.7	856	6.9	386	(32.3)
September 30, 2021	6,985	14.1	770	87.1	801	90.9	571	152.7

(Note) Comprehensive income: Fiscal year ended September 30, 2022: ¥ 390 million [(33.6)%]
Fiscal year ended September 30, 2021: ¥ 587 million [151.8%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
September 30, 2022	145.25	142.64	13.4	13.7	11.1
September 30, 2021	285.95	-	32.2	13.2	11.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended September 30, 2022: ¥ - million
Fiscal year ended September 30, 2021: ¥ - million

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2022	6,490	3,773	57.3	1,379.09
September 30, 2021	6,020	2,115	34.3	1,031.90

(Reference) Equity: As of September 30, 2022: ¥ 3,717 million
As of September 30, 2021: ¥ 2,063 million

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
September 30, 2022	884	(743)	263	1,095
September 30, 2021	1,475	(170)	(1,165)	691

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
September 30, 2021	-	0.00	-	25.00	25.00	50	8.7	2.8
September 30, 2022	-	10.00	-	40.00	50.00	134	34.4	4.1
Fiscal year ending September 30, 2023 (Forecast)	-	25.00	-	26.00	51.00		22.5	

(Note) Breakdown of the year-end dividend for the fiscal year ended September 30, 2022 :

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	57.6	226.28

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) 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

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

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

September 30, 2022: 2,695,400 shares

September 30, 2021: 2,000,000 shares

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

September 30, 2022: - shares

September 30, 2021: - shares

3) Average number of shares during the period:

Fiscal Year ended September 30, 2022: 2,663,938 shares

Fiscal Year ended September 30, 2021: 2,000,000 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended September 30, 2022 (October 01, 2021 to September 30, 2022)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2022	4,515	1.7	449	(11.3)	490	(2.7)	235	(34.2)
September 30, 2021	4,438	13.6	506	60.7	504	55.0	357	86.6

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
September 30, 2022	88.32	86.73
September 30, 2021	178.74	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2022	4,581	3,325	72.6	1,233.72
September 30, 2021	3,709	1,823	49.2	911.73

(Reference) Equity: As of September 30, 2022: ¥ 3,325 million
As of September 30, 2021: ¥ 1,823 million

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousand yen)

	As of September 30,2021	As of September 30,2022
Assets		
Current assets		
Cash and deposits	804,895	1,217,145
Notes and accounts receivable - trade, net	986,040	-
Notes and accounts receivable - trade, and contract assets	-	933,466
Inventories	338,876	352,753
Other	197,447	72,799
Total current assets	2,327,259	2,576,164
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,545,145	1,620,038
Machinery, equipment and vehicles	1,455,321	1,604,292
Tools, furniture and fixtures	800,687	863,834
Land	1,028,945	1,254,807
Leased assets	368,372	368,372
Construction in progress	127,362	125,591
Accumulated depreciation	(2,008,325)	(2,524,771)
Total property, plant and equipment	3,317,510	3,312,165
Intangible assets		
Software	84,548	95,116
Other	11,782	12,528
Total intangible assets	96,330	107,644
Investments and other assets		
Investment securities	74,080	223,499
Deferred tax assets	86,574	142,494
Other, net	116,377	126,857
Total investments and other assets	277,031	492,851
Total non-current assets	3,690,873	3,912,662
Deferred assets	2,821	1,961
Total assets	6,020,954	6,490,788

(Thousand yen)

	As of September 30,2021	As of September 30,2022
Liabilities		
Current liabilities		
Accounts payable - trade	301,457	172,253
Short-term borrowings	350,000	10,000
Current portion of bonds payable	57,000	57,000
Current portion of long-term borrowings	413,880	419,932
Lease liabilities	48,078	11,043
Income taxes payable	199,706	206,072
Other	666,456	524,226
Total current liabilities	2,036,578	1,400,528
Non-current liabilities		
Bonds payable	229,000	172,000
Long-term borrowings	1,459,365	975,405
Lease liabilities	13,206	103
Deferred tax liabilities	19,123	27,628
Asset retirement obligations	97,213	97,681
Other	50,973	43,481
Total non-current liabilities	1,868,881	1,316,299
Total liabilities	3,905,460	2,716,828
Net assets		
Shareholders' equity		
Share capital	88,888	761,166
Capital surplus	-	672,277
Retained earnings	1,971,375	2,281,563
Total shareholders' equity	2,060,264	3,715,007
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,535	2,203
Total accumulated other comprehensive income	3,535	2,203
Non-controlling interests	51,694	56,748
Total net assets	2,115,494	3,773,960
Total liabilities and net assets	6,020,954	6,490,788

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended September 30,2021	For the fiscal year ended September 30,2022
Net sales	6,985,957	7,220,655
Cost of sales	5,060,545	5,158,232
Gross profit	1,925,412	2,062,422
Selling, general and administrative expenses	1,154,741	1,263,594
Operating profit	770,670	798,828
Non-operating income		
Interest income	22	75
Dividend income	475	2,510
Insurance claim income	395	-
Subsidy income	43,143	21,397
Surrender value of insurance policies	-	43,266
Other	11,875	22,504
Total non-operating income	55,912	89,755
Non-operating expenses		
Interest expenses	14,813	8,685
Listing expenses	5,423	20,526
Other	4,931	2,733
Total non-operating expenses	25,167	31,946
Ordinary profit	801,416	856,637
Extraordinary income		
Extraordinary losses		
Loss on step acquisitions	-	23,220
Impairment losses	-	178,882
Total extraordinary losses	-	202,102
Profit before income taxes	801,416	654,535
Income taxes - current	251,027	309,452
Income taxes - deferred	(35,780)	(46,914)
Total income taxes	215,246	262,538
Profit	586,169	391,996
Profit attributable to non-controlling interests	14,260	5,054
Profit attributable to owners of parent	571,908	386,942

Consolidated Statements of Comprehensive Income

(Thousand yen)

	For the fiscal year ended September 30,2021	For the fiscal year ended September 30,2022
Profit	586,169	391,996
Other comprehensive income		
Valuation difference on available-for-sale securities	1,807	(1,331)
Total other comprehensive income	1,807	(1,331)
Comprehensive income	587,976	390,665
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	573,716	385,611
Comprehensive income attributable to non-controlling interests	14,260	5,054

Consolidated Statements of Changes in Net Assets

For the fiscal year ended September 30,2021

(Thousand yen)

	Shareholders' equity				Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	88,888	-	1,399,467	1,488,355	1,727	1,727	39,434	1,529,517
Changes during period								
Issuance of new shares				-				-
Dividends of surplus							(2,000)	(2,000)
Profit attributable to owners of parent			571,908	571,908				571,908
Net changes in items other than shareholders' equity					1,807	1,807	14,260	16,068
Total changes during period	-	-	571,908	571,908	1,807	1,807	12,260	585,976
Balance at end of period	88,888	-	1,971,375	2,060,264	3,535	3,535	51,694	2,115,494

For the fiscal year ended September 30,2022

(Thousand yen)

	Shareholders' equity				Accumulated other comprehensive income		Non-controlling interests	Total net assets
	Share capital	Capital surplus	Retained earnings	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	88,888	-	1,971,375	2,060,264	3,535	3,535	51,694	2,115,494
Changes during period								
Issuance of new shares	672,277	672,277		1,344,555				1,344,555
Dividends of surplus			(76,755)	(76,755)				(76,755)
Profit attributable to owners of parent			386,942	386,942				386,942
Net changes in items other than shareholders' equity					(1,331)	(1,331)	5,054	3,722
Total changes during period	672,277	672,277	310,187	1,654,743	(1,331)	(1,331)	5,054	1,658,466
Balance at end of period	761,166	672,277	2,281,563	3,715,007	2,203	2,203	56,748	3,773,960

Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended September 30,2021	For the fiscal year ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	801,416	654,535
Depreciation	371,238	369,029
Impairment losses	-	178,882
Interest and dividend income	(497)	(2,586)
Interest expenses	14,813	8,685
Listing expenses	-	20,526
Loss (gain) on step acquisitions	-	23,220
Decrease (increase) in trade receivables	(118,009)	63,290
Decrease (increase) in inventories	167,608	(1,415)
Decrease (increase) in investments in leases	14,808	15,025
Increase (decrease) in trade payables	127,082	(129,237)
Increase (decrease) in advances received on uncompleted construction	96,447	(86,835)
Increase (decrease) in accounts payable - other	34,190	36,280
Increase (decrease) in accrued consumption taxes	97,873	(83,843)
Other, net	(37,628)	107,419
Subtotal	1,569,342	1,172,976
Interest and dividends received	497	2,586
Interest paid	(14,783)	(8,709)
Income taxes paid	(79,908)	(282,728)
Net cash provided by (used in) operating activities	1,475,148	884,125
Cash flows from investing activities		
Payments into time deposits	(64,934)	(12,405)
Proceeds from withdrawal of time deposits	98,626	12,534
Purchase of property, plant and equipment	(196,842)	(471,717)
Purchase of intangible assets	(1,730)	(48,624)
Proceeds from cancellation of insurance funds	32,619	-
Purchase of investment securities	(37,220)	(176,459)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,361)	(46,178)
Other, net	1,029	(338)
Net cash provided by (used in) investing activities	(170,814)	(743,190)

(Thousand yen)

	For the fiscal year ended September 30,2021	For the fiscal year ended September 30,2022
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(489,779)	(340,000)
Proceeds from long-term borrowings	-	100,000
Repayments of long-term borrowings	(456,889)	(637,144)
Redemption of bonds	(157,000)	(57,000)
Proceeds from issuance of shares	-	1,324,028
Dividends paid	-	(76,731)
Dividends paid to non-controlling interests	(2,000)	-
Repayments of lease liabilities	(60,138)	(50,138)
Net cash provided by (used in) financing activities	(1,165,807)	263,014
Effect of exchange rate change on cash and cash equivalents	16	36
Net increase (decrease) in cash and cash equivalents	138,543	403,985
Cash and cash equivalents at beginning of period	552,995	691,539
Cash and cash equivalents at end of period	691,539	1,095,525