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 Nine Months Ended June 30, 2023 [Japanese GAAP]

August 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: +81-586 - 64 - 9249
Scheduled date of filing quarterly securities report: August 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 Nine Months Ended June 30, 2023 (October 1, 2022 to June 30, 2023)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2023	5,543	0.2	564	(16.5)	591	(19.0)	788	90.1
June 30, 2022	5,531	14.8	676	30.5	730	32.6	414	9.6

(Note) Comprehensive income: Nine months ended June 30, 2023: ¥ 853 million [108.6%]
Nine months ended June 30, 2022: ¥ 409 million [5.4%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
June 30, 2023	292.62	288.33
June 30, 2022	155.99	153.17

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
June 30, 2023	8,583	4,474	51.3
September 30, 2022	6,487	3,795	57.6

(Reference) Equity: As of June 30, 2023: ¥ 4,405 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	-	25.00	-		
Fiscal year ending September 30, 2023 (Forecast)				26.00	51.00

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

(Note) Breakdown of the 3rd 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 1, 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of 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 nine months ended June 30, 2023 (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):

June 30, 2023: 2,696,600 shares

September 30, 2022: 2,695,400 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: - shares

September 30, 2022: - shares

3) Average number of shares outstanding during the period:

Nine months ended June 30, 2023: 2,695,852 shares

Nine months ended June 30, 2022: 2,659,968 shares

Quarterly Consolidated Financial Statements

Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of September 30, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	1,217,145	2,338,260
Electronically recorded monetary claims - operating	-	8,200
Notes and accounts receivable - trade, and contract assets	933,466	1,064,398
Inventories	352,753	534,453
Other	72,799	69,240
Total current assets	2,576,164	4,014,553
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,620,038	1,938,068
Machinery, equipment and vehicles	1,604,292	1,714,132
Land	1,254,807	1,554,729
Other	1,357,798	1,153,980
Accumulated depreciation	(2,524,771)	(2,748,666)
Total property, plant and equipment	3,312,165	3,612,243
Intangible assets	107,644	136,876
Investments and other assets	489,432	818,470
Total non-current assets	3,909,243	4,567,589
Deferred assets	1,961	1,593
Total assets	6,487,369	8,583,736

(Thousands of yen)

	As of September 30, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	172,253	344,632
Electronically recorded obligations - operating	-	37,165
Short-term borrowings	10,000	580,000
Current portion of bonds payable	57,000	57,000
Current portion of long-term borrowings	419,932	437,867
Provision for bonuses	-	72,587
Income taxes payable	181,554	195,638
Other	535,269	573,700
Total current liabilities	1,376,010	2,298,592
Non-current liabilities		
Bonds payable	172,000	148,500
Long-term borrowings	975,405	1,244,624
Retirement benefit liability	-	51,979
Provision for retirement benefits for directors (and other officers)	-	107,250
Asset retirement obligations	97,681	98,032
Other	71,213	160,263
Total non-current liabilities	1,316,299	1,810,648
Total liabilities	2,692,310	4,109,241
Net assets		
Shareholders' equity		
Share capital	761,166	761,766
Capital surplus	672,277	672,877
Retained earnings	2,302,662	2,916,291
Total shareholders' equity	3,736,106	4,350,935
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,203	54,459
Total accumulated other comprehensive income	2,203	54,459
Non-controlling interests	56,748	69,100
Total net assets	3,795,059	4,474,495
Total liabilities and net assets	6,487,369	8,583,736

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousands of yen)

	For the nine months ended June 30, 2022	For the nine months ended June 30, 2023
Net sales	5,531,878	5,543,177
Cost of sales	3,921,400	3,876,407
Gross profit	1,610,477	1,666,769
Selling, general and administrative expenses	934,120	1,102,051
Operating profit	676,357	564,717
Non-operating income		
Subsidy income	20,797	9,315
Surrender value of insurance policies	43,266	10,390
Other	19,720	24,039
Total non-operating income	83,784	43,744
Non-operating expenses		
Interest expenses	7,026	6,889
Loss on investments in silent partnerships	468	5,323
Listing expenses	20,526	-
Other	1,803	4,866
Total non-operating expenses	29,825	17,079
Ordinary profit	730,317	591,382
Extraordinary income		
Gain on sale of non-current assets	-	428,136
Gain on bargain purchase	-	191,387
Other	-	1,224
Total extraordinary income	-	620,748
Extraordinary losses		
Loss on step acquisitions	23,220	-
Impairment losses	-	22,896
Loss on disposal of non-current assets	-	34,013
Other	-	2,252
Total extraordinary losses	23,220	59,162
Profit before income taxes	707,097	1,152,968
Income taxes	291,962	351,756
Profit	415,134	801,211
Profit attributable to non-controlling interests	209	12,351
Profit attributable to owners of parent	414,925	788,860

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

(Thousands of yen)

	For the nine months ended June 30, 2022	For the nine months ended June 30, 2023
Profit	415,134	801,211
Other comprehensive income		
Valuation difference on available-for-sale securities	(5,898)	52,255
Total other comprehensive income	(5,898)	52,255
Comprehensive income	409,236	853,467
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	409,026	841,115
Comprehensive income attributable to non-controlling interests	209	12,351