



**Consolidated Financial Results for the Fiscal Year Ended October 31, 2022**  
**(Japanese GAAP)**



December 12, 2022  
Listed on: Tokyo Stock Exchange

Name of listed company: IKK Holdings Inc.  
 Securities code: 2198 URL: <https://www.ikk-grp.jp/>  
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 Scheduled date of Annual General Meeting of Shareholders: January 26, 2023  
 Scheduled date of filing securities report: January 26, 2023  
 Scheduled date of starting dividends distribution: January 27, 2023  
 Supplementary materials prepared: Yes  
 Results information meeting held: Yes (for securities analysts and institutional investors)

(Figures shown are rounded down to the nearest million yen.)

**1. Consolidated financial results for the FY ended October 31, 2022 (Nov. 1, 2021 - Oct. 31, 2022)**

**(1) Consolidated operating results**

(Percentage figures show changes from the previous fiscal year.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended Oct. 31, 2022	19,056	65.3	1,808	-	2,096	-	1,398	-
FY ended Oct. 31, 2021	11,530	31.8	(1,599)	-	(610)	-	(411)	-

Note: Comprehensive income: FY ended Oct. 31, 2022: 1,473 million yen (-%); FY ended Oct. 31, 2021: (400) million yen (-%)

	Net Income per Share	Diluted Net Income per Share	ROE	Ordinary Profit to Total Assets	Operating Profit to Net Sales
	Yen	Yen	%	%	%
FY ended Oct. 31, 2022	47.48	-	16.7	11.1	9.5
FY ended Oct. 31, 2021	(14.03)	-	(5.3)	(3.4)	(13.9)

Reference: Equity in earnings of affiliated companies: FY ended Oct. 31, 2022: - million yen; FY ended Oct. 31, 2021: - million yen

**(2) Consolidated financial position**

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of Oct. 31, 2022	20,251	9,170	45.1	309.49
As of Oct. 31, 2021	17,603	7,604	43.0	257.94

Reference: Equity capital: As of Oct. 31, 2022: 9,139 million yen; As of Oct. 31, 2021: 7,578 million yen

**(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 the Year
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
FY ended Oct. 31, 2022	3,497	(750)	(426)	5,800
FY ended Oct. 31, 2021	2,625	(151)	(935)	3,433

**2. Dividends**

	Dividends per Share					Total Dividends	Dividends Payout Ratio (Consolidated)	Dividends on Net Assets (Consolidated)
	1Q End	2Q End	3Q End	FY End	Annual			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
FY ended Oct. 31, 2021	-	0.00	-	0.00	0.00	-	-	-
FY ended Oct. 31, 2022	-	0.00	-	10.00	10.00	299	21.1	3.5
FY ending Oct. 31, 2023 (forecast)	-	0.00	-	12.00	12.00		23.5	

**3. Consolidated financial forecast for the FY ending October 31, 2023 (Nov. 1, 2022 - Oct. 31, 2023)**

(Percentage figures show changes from the same period in the previous fiscal year.)

	Net Sales		Operating Profit		Ordinary Profit		Profit Attributable to Owners of Parent		Net Income per Share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	9,890	29.9	415	-	430	155.9	230	88.2	7.79
Full year	21,780	14.3	2,200	21.6	2,230	6.4	1,500	7.2	51.09

\* Notes

(1) Significant changes to subsidiaries during the period (transfer of specific subsidiaries accompanying changes in scope of consolidation): No

Newly added: - Company name: - Excluded: - Company name: -

(2) Changes in accounting policies, accounting estimates and restatement

- 1) Changes in accounting policies due to revision of accounting standards, etc.: Yes  
 2) Changes in accounting policies other than 1): No  
 3) Changes in accounting estimates: No  
 4) Restatement: No

Note: For details, see “3. Consolidated Financial Statements and Notes; (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies)” (attachments, page 12).

(3) Number of shares issued (common stock)

- 1) Number of shares issued at the end of period (including treasury shares)  
 2) Number of treasury shares at the end of period  
 3) Average number of shares outstanding during the period

As of Oct. 31, 2022	29,956,800 shares	As of Oct. 31, 2021	29,956,800 shares
As of Oct. 31, 2022	427,349 shares	As of Oct. 31, 2021	577,373 shares
FY ended Oct. 31, 2022	29,458,200 shares	FY ended Oct. 31, 2021	29,302,499 shares

Note: Figures for treasury shares include 374,800 shares of the IKK stock held by the IKK Employee Stock Ownership Association Exclusive Trust at the end of the current fiscal year.

**(Reference) Non-consolidated financial results**

**Non-consolidated financial results for the FY ended October 31, 2022 (Nov. 1, 2021 - Oct. 31, 2022)**

(1) Non-consolidated operating results

(Percentage figures show changes from the previous fiscal year.)

	Net Sales		Operating Profit		Ordinary Profit		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
FY ended Oct. 31, 2022	2,529	(76.7)	184	-	312	-	162	-
FY ended Oct. 31, 2021	10,861	35.8	(1,589)	-	(599)	-	(408)	-

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
FY ended Oct. 31, 2022	5.53		-	
FY ended Oct. 31, 2021	(13.95)		-	

(2) Non-consolidated financial position

	Total Assets		Net Assets		Equity Ratio		Net Assets per Share	
	Millions of yen		Millions of yen		%		Yen	
As of Oct. 31, 2022	14,404		7,939		55.1		268.86	
As of Oct. 31, 2021	17,488		7,675		43.9		261.25	

Reference: Equity capital: As of Oct. 31, 2022: 7,939 million yen; As of Oct. 31, 2021: 7,675 million yen

\* This financial report is not subject to an audit by certified public accountants or auditing firms.

\* Explanation of appropriate use of financial forecasts, other special remarks

Forecasts and other forward-looking statements included in this document are based on currently available information and assumptions deemed rational, and are not a guarantee of results by IKK. Actual results may vary substantially due to a variety of reasons. For notes and other cautionary statements related to assumptions behind and use of forecasts, please see “1. Overview of Results of Operations; (4) Outlook” (attachments, page 4).

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## 1. Overview of Results of Operations

### (1) Results of Operations

During the fiscal year that ended in October 2022, the pandemic continued to impact the Japanese economy since the beginning of the year and restrictions on some social activities remained in place. Restrictions were eased during the year because of measures to prevent infections and progress with vaccinations. Worldwide, there was an increase in geopolitical risk due to the Ukraine crisis, China-Taiwan tension and other events. Economic risk also increased as the yen depreciated rapidly because of the widening gap between U.S. and Japanese interest rates, inflation in Japan and other problems. As a result, the outlook for the economy remains uncertain.

In the wedding industry, the number of weddings and receptions is gradually increasing due to the resumption of events to attract customers as restrictions on socio-economic activity have been reduced.

IKK Holdings Inc. (“IKK”) and its group companies (the “IKK Group”) are holding weddings and receptions while making the safety of guests and employees the highest priority. All activities include every possible measure based on the Guidelines for Preventing the Spread of COVID-19 for protection against infections.

Fiscal year sales increased 65.3% from one year earlier to 19,056 million yen. Operating profit was 1,808 million yen compared with a 1,599 million yen loss one year earlier, ordinary profit was 2,096 million yen compared with a 610 million yen loss one year earlier, and profit attributable to owners of parent was 1,398 million yen compared with a 411 million yen loss one year earlier.

Results by business segment are as follows:

#### a) Wedding Operations

Although various restrictions on socio-economic activities have been reduced, the IKK Group continued to take numerous actions to prevent the spread of infections for holding weddings and receptions.

As a result, sales increased 68.6% from one year earlier to 18,442 million yen due to the higher number of weddings. Operating profit was 1,889 million yen compared with a 1,648 million yen loss one year earlier.

#### b) Nursing-care Operations

Sales decreased 0.9% from one year earlier to 545 million yen and operating loss was 2 million yen compared with a 41 million yen profit one year earlier.

#### c) Food Business

Sales increased 62.2% from one year earlier to 182 million yen and operating profit increased 496.4% to 39 million yen.

#### d) Photography Business

A subsidiary was established in November 2021 to operate photography business. There were sales of 14 million yen and an operating loss of 87 million yen.

#### e) Matrimonial Matchmaking Business

A subsidiary was established in November 2021 to operate matrimonial matchmaking business. There were sales of 1 million yen and an operating loss of 29 million yen.

### (2) Financial Position

#### a) Assets

Current assets were 7,203 million yen at the end of the current fiscal year, 2,762 million yen more than at the end of the previous fiscal year. The main causes were increases of 2,382 million yen in cash and deposits and 297 million yen in other current assets.

Non-current assets decreased 113 million yen to 13,047 million yen. This was mainly attributable to a decrease of 254 million yen in property, plant and equipment due to depreciation.

#### b) Liabilities

Current liabilities increased 1,625 million yen to 7,604 million yen. The main causes were increases of 263 million yen in accounts payable-trade, 718 million yen in income taxes payable and 586 million yen in other current liabilities.

Non-current liabilities decreased 543 million yen to 3,476 million yen. This was mainly attributable

to a decrease of 531 million yen in long-term borrowings.

c) Net assets

Net assets increased 1,565 million yen to 9,170 million yen. The main cause was an increase due to profit attributable to owners of parent of 1,398 million yen. As a result, compared with the end of the previous fiscal year, the equity ratio rose by 2.1 percentage point to 45.1%.

(3) Cash Flows

Cash and cash equivalents (hereinafter, “cash”) at the end of the current fiscal year were 5,800 million yen, an increase of 2,367 million yen (68.9%) from the end of the previous fiscal year.

The following are cash flow conditions and factors for the fiscal year under review.

a) Cash flows from operating activities

Cash provided by operating activities was 3,497 million yen (an increase of 33.2% year on year). Main cash inflows include profit before income taxes of 2,083 million yen, depreciation of 1,011 million yen, an increase in trade payables of 264 million yen, an increase in accrued consumption taxes of 346 million yen. Outflows include an increase in trade receivables of 140 million yen and an increase in consumption taxes refund receivable of 230 million yen.

b) Cash flows from investing activities

Cash used in investing activities was 750 million yen (an increase of 396.1 % year on year), mainly attributable to the outlays of 701 million yen for the purchase of property, plant and equipment.

c) Cash flows from financing activities

Cash used in financing activities was 426 million yen (a decrease of 54.4 % year on year). Main cash inflows include proceeds from long-term borrowings of 229 million yen and proceeds from sales of treasury shares of 82 million yen. Outflows include 792 million yen for repayments of long-term borrowings.

Reference: Cash flow indicator trends

	FY2018	FY2019	FY2020	FY2021	FY2022
Equity ratio (%)	57.1	59.8	44.1	43.0	45.1
Equity ratio at market value (%)	103.0	97.6	106.9	112.7	91.9
Ratio of interest-bearing debt to cash flows (year)	1.0	1.8	-	2.0	1.4
Interest coverage ratio (times)	168.2	110.0	-	119.6	211.0

Equity ratio: Shareholders' equity / Total assets

Equity ratio at market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows / Interest expense

- Notes:
1. The consolidated financial figures constitute the basis for calculating these indicators.
  2. Market capitalization is calculated based on the number of shares outstanding after the deduction of treasury shares.
  3. Cash flows are based on cash flows from operating activities in the consolidated statement of cash flows.
  4. Interest-bearing debt includes all debts recorded on the consolidated balance sheet on which interest is paid.
  5. The basis for interest expense is the amount of interest paid recorded in the consolidated statement of cash flows.
  6. The ratio of interest-bearing debt to cash flows and interest coverage ratio are not shown for the fiscal year ended October 31, 2020 because operating cash flows were negative.

#### (4) Outlook

Although the pandemic is still affecting our business operations, the number of new cases has decreased because of progress with vaccination and heightened awareness of the need to prevent infections. As a result, there are signs of economic normalization.

Due to the current recovery in the number of weddings, we forecast sales of 21,780 million yen, up 14.3%, operating profit of 2,200 million yen, up 21.6%, ordinary profit of 2,230 million yen, up 6.4%, and profit attributable to owners of parent of 1,500 million yen, up 7.2% in the fiscal year ending in October 2023.

These forecasts are based on currently available information and actual results may differ substantially because of various factors.

#### (5) Basic Policy Regarding Distributions of Surplus and Dividends for the Current and Next Fiscal Years

Distributing earnings to shareholders is one of our highest priorities. Consequently, our policy is to pay dividends that reflect operating results while retaining earnings needed for expanding and strengthening our operations.

We plan to pay a dividend of 10 yen per share for the fiscal year ended on October 31, 2022 and 12 yen per share for the fiscal year ending on October 31, 2023 in accordance with the basic policy.

## **2. Basic Approach to the Selection of Accounting Standards**

The IKK Group will continue to prepare consolidated financial statements in accordance with generally accepted accounting principles in Japan for the time being to permit comparisons with prior years and with the financial data of other companies.

We will take suitable actions with regard to the application of International Financial Reporting Standards (IFRS) by taking into account associated factors in Japan and other countries.

### 3. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

	(Thousands of yen)	
	Previous Consolidated FY (Oct. 31, 2021)	Current Consolidated FY (Oct. 31, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	3,509,473	5,891,686
Accounts receivable-trade	323,156	459,639
Merchandise	323,247	240,238
Raw materials and supplies	52,883	82,897
Income taxes refund receivable	1,884	2,256
Other	237,041	534,797
Allowance for doubtful accounts	(6,260)	(7,974)
Total current assets	4,441,425	7,203,541
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,033,528	19,230,015
Accumulated depreciation and impairment	(10,693,635)	(11,435,264)
Buildings and structures, net	8,339,892	7,794,750
Machinery, equipment and vehicles	564,157	66,391
Accumulated depreciation	(522,786)	(40,000)
Machinery, equipment and vehicles, net	41,370	26,390
Land	1,850,919	1,850,919
Construction in progress	18,484	386,758
Other	2,866,515	511,053
Accumulated depreciation	(2,579,853)	(286,858)
Other, net	286,661	224,195
Total property, plant and equipment	10,537,328	10,283,014
Intangible assets	154,679	160,306
Investments and other assets		
Deferred tax assets	228,183	328,042
Guarantee deposits	1,597,311	1,447,559
Other	662,739	849,337
Allowance for doubtful accounts	(18,394)	(20,292)
Total investments and other assets	2,469,838	2,604,647
Total non-current assets	13,161,847	13,047,967
Total assets	17,603,273	20,251,509

	(Thousands of yen)	
	Previous Consolidated FY (Oct. 31, 2021)	Current Consolidated FY (Oct. 31, 2022)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	589,810	853,784
Short-term borrowings	2,100,000	2,150,000
Current portion of long-term borrowings	806,183	774,796
Advances received	1,017,955	-
Income taxes payable	67,166	785,757
Contract liabilities	-	1,058,745
Provision for bonuses	299,384	296,569
Other	1,098,408	1,685,111
<b>Total current liabilities</b>	<b>5,978,908</b>	<b>7,604,765</b>
Non-current liabilities		
Long-term borrowings	2,408,644	1,877,328
Retirement benefit liability	36,956	34,284
Provision for point card certificates	16,815	14,663
Asset retirement obligations	1,038,800	1,064,951
Deferred tax liabilities	-	3,350
Other	518,555	482,099
<b>Total non-current liabilities</b>	<b>4,019,771</b>	<b>3,476,677</b>
<b>Total liabilities</b>	<b>9,998,679</b>	<b>11,081,442</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	351,655	351,655
Capital surplus	351,731	347,861
Retained earnings	7,230,337	8,629,766
Treasury shares	(340,466)	(252,415)
<b>Total shareholders' equity</b>	<b>7,593,258</b>	<b>9,076,868</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-	14,797
Remeasurements of defined benefit plans	17,472	14,183
Foreign currency translation adjustment	(32,549)	33,214
<b>Total accumulated other comprehensive income</b>	<b>(15,076)</b>	<b>62,194</b>
<b>Non-controlling interests</b>	<b>26,411</b>	<b>31,004</b>
<b>Total net assets</b>	<b>7,604,593</b>	<b>9,170,067</b>
<b>Total liabilities and net assets</b>	<b>17,603,273</b>	<b>20,251,509</b>



## (2) Consolidated Statements of Income and Comprehensive Income

## Consolidated Statement of Income

(Thousands of yen)

	Previous Consolidated FY (Nov. 1, 2020 - Oct. 31, 2021)	Current Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022)
Net sales	11,530,174	19,056,906
Cost of sales	5,057,126	7,816,582
Gross profit	6,473,048	11,240,324
Selling, general and administrative expenses	8,072,665	9,431,662
Operating profit (loss)	(1,599,617)	1,808,661
Non-operating income		
Interest income	13,442	10,661
Subsidies for employment adjustment	925,382	244,087
Other	78,243	62,154
Total non-operating income	1,017,069	316,903
Non-operating expenses		
Interest expenses	22,548	16,309
Loss on cancellation of leases	-	5,905
Other	5,701	7,186
Total non-operating expenses	28,249	29,401
Ordinary profit (loss)	(610,797)	2,096,163
Extraordinary losses		
Loss on retirement of non-current assets	4,270	12,916
Total extraordinary losses	4,270	12,916
Profit (loss) before income taxes	(615,068)	2,083,247
Income taxes-current	25,947	787,476
Income taxes-deferred	(225,680)	(96,318)
Total income taxes	(199,732)	691,158
Profit (loss)	(415,335)	1,392,089
Loss attributable to non-controlling interests	(4,109)	(6,564)
Profit (loss) attributable to owners of parent	(411,226)	1,398,653

## Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Previous Consolidated FY (Nov. 1, 2020 - Oct. 31, 2021)	Current Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022)
Profit (loss)	(415,335)	1,392,089
Other comprehensive income		
Valuation difference on available-for-sale securities	-	14,797
Remeasurements of defined benefit plans, net of tax	(4,009)	(3,282)
Foreign currency translation adjustment	18,601	70,335
Total other comprehensive income	14,591	81,849
Comprehensive income	(400,744)	1,473,938
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	(398,385)	1,474,548
Comprehensive income attributable to non-controlling interests	(2,358)	(609)

## (3) Consolidated Statement of Changes in Equity

Previous Consolidated FY (Nov. 1, 2020 - Oct. 31, 2021)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	351,655	355,794	7,641,563	(433,629)	7,915,385
Changes during period					
Loss attributable to owners of parent			(411,226)		(411,226)
Disposal of treasury shares		(1,441)		93,162	91,721
Purchase of shares of consolidated subsidiaries		(2,621)			(2,621)
Increases and decreases due to liquidation of consolidated subsidiaries					
Net changes in items other than shareholders' equity					
Total changes during period	-	(4,063)	(411,226)	93,162	(322,126)
Balance at end of period	351,655	351,731	7,230,337	(340,466)	7,593,258

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	-	21,479	(49,397)	(27,917)	35,877	7,923,345
Changes during period						
Loss attributable to owners of parent						(411,226)
Disposal of treasury shares						91,721
Purchase of shares of consolidated subsidiaries					(7,107)	(9,729)
Increases and decreases due to liquidation of consolidated subsidiaries						-
Net changes in items other than shareholders' equity		(4,007)	16,848	12,840	(2,358)	10,481
Total changes during period	-	(4,007)	16,848	12,840	(9,465)	(318,752)
Balance at end of period	-	17,472	(32,549)	(15,076)	26,411	7,604,593

## Current Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	351,655	351,731	7,230,337	(340,466)	7,593,258
Changes during period					
Profit attributable to owners of parent			1,398,653		1,398,653
Disposal of treasury shares		(1,699)		88,051	86,351
Purchase of shares of consolidated subsidiaries		(2,170)			(2,170)
Increases and decreases due to liquidation of consolidated subsidiaries			775		775
Net changes in items other than shareholders' equity					
Total changes during period	-	(3,870)	1,399,428	88,051	1,483,609
Balance at end of period	351,655	347,861	8,629,766	(252,415)	9,076,868

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	-	17,472	(32,549)	(15,076)	26,411	7,604,593
Changes during period						
Profit attributable to owners of parent						1,398,653
Disposal of treasury shares						86,351
Purchase of shares of consolidated subsidiaries					6,578	4,408
Increases and decreases due to liquidation of consolidated subsidiaries						775
Net changes in items other than shareholders' equity	14,797	(3,289)	65,763	77,271	(1,986)	75,285
Total changes during period	14,797	(3,289)	65,763	77,271	4,592	1,565,473
Balance at end of period	14,797	14,183	33,214	62,194	31,004	9,170,067

## (4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Previous Consolidated FY (Nov. 1, 2020 - Oct. 31, 2021)	Current Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(615,068)	2,083,247
Depreciation	1,111,939	1,011,121
Increase (decrease) in allowance for doubtful accounts	1,361	3,611
Increase (decrease) in provision for bonuses	198,889	(2,926)
Increase (decrease) in retirement benefit liability	(7,235)	(7,888)
Increase (decrease) in provision for point card certificates	215	(2,152)
Subsidy income	(925,382)	(244,087)
Loss on retirement of non-current assets	4,270	12,916
Interest and dividend income	(13,442)	(10,661)
Interest expenses	22,548	16,309
Loss on cancellation of leases	-	5,905
Decrease (increase) in trade receivables	(174,447)	(140,980)
Decrease (increase) in inventories	30,755	53,038
Increase (decrease) in trade payables	368,631	264,949
Increase (decrease) in accounts payable-other	(60,426)	249,388
Increase (decrease) in advances received	143,988	-
Increase (decrease) in contract liabilities	-	31,875
Increase (decrease) in accrued consumption taxes	659,891	346,134
Decrease (increase) in consumption taxes refund receivable	-	(230,140)
Other, net	92,747	(141,576)
Subtotal	839,235	3,298,084
Interest and dividend income	9,511	6,971
Interest paid	(21,955)	(16,572)
Proceeds from subsidy income	925,382	244,087
Income taxes refund	877,124	-
Income taxes paid	(4,198)	(35,233)
Net cash provided by (used in) operating activities	2,625,100	3,497,336
<b>Cash flows from investing activities</b>		
Payments into time deposits	(76,000)	-
Purchase of investment securities	-	(99,997)
Purchase of property, plant and equipment	(199,397)	(701,249)
Purchase of intangible assets	(39,856)	(38,301)
Other, net	163,996	89,139
Net cash provided by (used in) investing activities	(151,257)	(750,409)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	100,000	50,000
Proceeds from long-term borrowings	-	229,550
Repayments of long-term borrowings	(1,012,822)	(792,253)
Proceeds from sale of treasury shares	94,368	82,162
Dividends paid	(605)	(623)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	(9,729)	-
Other, net	(107,145)	4,408
Net cash provided by (used in) financing activities	(935,933)	(426,756)
Effect of exchange rate change on cash and cash equivalents	22,373	47,041
Net increase (decrease) in cash and cash equivalents	1,560,282	2,367,213
Cash and cash equivalents at beginning of period	1,873,191	3,433,473
Cash and cash equivalents at end of period	3,433,473	5,800,686

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

No related information.

(Changes in Accounting Policies)

Application of Accounting Standards for Revenue Recognition

IKK has applied the Accounting Standard for Revenue Recognition (Accounting Standard Board of Japan (ASBJ) Statement No. 29, March 31, 2020) and other standards from the beginning of the current fiscal year. Based on these standards, revenue expected to be received in exchange for the provision of goods and services is recognized when the control of the goods and services is transferred to customers.

The application of the Accounting Standard for Revenue Recognition is pursuant to the transitional treatment set forth in the proviso of Paragraph 84 of this standard. There is no impact on the beginning balance of retained earnings or profit and loss resulting from the application of this standard.

Due to the application of the Accounting Standard for Revenue Recognition, advances received that was presented in the current liabilities section of the consolidated balance sheet in the previous fiscal year is, from the current fiscal year, included in contract liabilities. In accordance with the transitional treatment prescribed in Paragraph 89-2 of the Accounting Standard for Revenue Recognition, no reclassification has been made to the previous fiscal year's consolidated financial statements to conform to the new presentation.

Application of the Accounting Standards for Measurement of Fair Value

IKK has applied the Accounting Standard for Measurement of Fair Value (ASBJ Statement No. 30, July 4, 2019) and other standards from the beginning of the current fiscal year, and has applied the new accounting policies set forth by the Accounting Standard for Measurement of Fair Value, etc. prospectively in accordance with the transitional treatment in the Paragraph 19 of the Accounting Standard for Measurement of Fair Value and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019). There is no effect of the application of these standards on the consolidated financial statements.

(Additional Information)

Accounting estimates associated with the COVID-19 pandemic

The IKK Group is holding weddings and receptions while making the safety of guests and employees the highest priority. All activities include every possible measure based on the Guidelines for Preventing the Spread of COVID-19 for protection against infections. In January 2022, pandemic safety measures were enacted in some regions of Japan and the number of weddings briefly declined. Since these measures ended, the number of weddings has been recovering and we expect this recovery to continue in the fiscal year ending in October 2023. We are using this assumption as the basis for estimates for the impairment of non-current assets, the ability to use of deferred tax assets and other items.

There are still many uncertainties about the impact of the pandemic. Depending on upcoming changes in the severity of the pandemic, there may be a negative effect on the financial position and results of operations of the IKK Group in the fiscal year ending in October 2023.

(Segment Information, etc.)

Segment Information

Previous Consolidated FY (Nov. 1, 2020 - Oct. 31, 2021)

The IKK Group's reporting segments include Wedding and Nursing-care Operations and Food Business. However, Nursing-care Operations and Food Business constitute a very small proportion of total sales and earnings and their importance in terms of disclosure is limited. Accordingly, the presentation of segment information is omitted.

Current Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022)

The IKK Group's reporting segments include Wedding and Nursing-care Operations, Food Business, Photography Business and Matrimonial Matchmaking Business. However, Nursing-care Operations, Food Business, Photography Business and Matrimonial Matchmaking Business constitute a very small proportion of total sales and earnings and their importance in terms of disclosure is limited. Accordingly, the presentation of segment information is omitted.

## (Per Share Information)

Previous Consolidated FY (Nov. 1, 2020 - Oct. 31, 2021)		Current Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022)	
Net assets per share	257.94 yen	Net assets per share	309.49 yen
Net loss per share	(14.03) yen	Net income per share	47.48 yen

## Notes:

- Diluted net income per share is not stated because dilutive shares do not exist.
- Basis for the calculation of net income (loss) per share is as follows.

	Previous Consolidated FY (Nov. 1, 2020 - Oct. 31, 2021)	Current Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022)
Net income (loss) per share		
Profit (loss) attributable to owners of parent (Thousands of yen)	(411,226)	1,398,653
Amount not attributable to common shareholders (Thousands of yen)	-	-
Profit (loss) attributable to common shareholders of parent (Thousands of yen)	(411,226)	1,398,653
Average number of common shares outstanding during the period (Shares)	29,302,499	29,458,200

- IKK stock held by the IKK Employee Stock Ownership Association Exclusive Trust is included in treasury shares and is thus deducted from the number of shares issued at the end of each fiscal year that was used to calculate net assets per share (deductions of 511,100 shares and 374,800 shares on October 31, 2021 and 2022, respectively).

In addition, this trust stock is included in treasury shares that was deducted from the average number of shares outstanding during the period that was used to calculate net income (loss) per share (deductions of 581,967 shares and 440,524 shares in the fiscal years ended on October 31, 2021 and 2022, respectively).

## (Material Subsequent Events)

## Repurchase of treasury shares

The IKK Board of Directors approved a resolution on December 12, 2022 to repurchase its own shares pursuant to Article 156 of the Companies Act, which is applicable in lieu of Article 165, Paragraph 3 of this act.

## (1) Reason for stock repurchase

IKK is repurchasing stock to increase flexibility regarding actions involving capital in response to changes in the operating environment.

## (2) Details of stock repurchase

- |  |   |
|--|---|
| 1) Type of shares to be repurchased:         | IKK common stock                        |
| 2) Total number of shares to be repurchased: | Up to 620,000 shares                    |
| 3) Total value of shares to be repurchased:  | Up to 400,000 thousand yen              |
| 4) Repurchase schedule:                      | From December 13, 2022 to June 30, 2023 |
| 5) Method of repurchase:                     | Purchase on the Tokyo Stock Exchange    |

**4. Others**

## Change in Officers

## (1) Change in Representatives

No related information.

## (2) Change in Other Officers

No related information.