



## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending October 31, 2023 (Japanese GAAP)

March 13, 2023  
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 filing quarterly financial report: March 16, 2023  
 Scheduled date of starting dividends distribution: -  
 Supplementary quarterly materials prepared: Yes  
 Quarterly results information meeting held: No

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

### 1. Consolidated financial results for the first quarter of the FY ending October 31, 2023(Nov. 1, 2022 - Jan. 31, 2023)

#### (1) Consolidated operating results (cumulative)

(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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
1Q of FY ending Oct. 31, 2023	4,912	26.0	362	201.2	369	68.0	180	(0.0)
1Q of FY ended Oct. 31, 2022	3,897	105.1	120	-	220	-	180	-

Note: Comprehensive income: 1Q of FY ending Oct. 31, 2023: 195 million yen (up 5.5%); 1Q of FY ended Oct. 31, 2022: 185 million yen (-%)

	Net Income per Share		Diluted Net Income per Share	
	Yen		Yen	
1Q of FY ending Oct. 31, 2023	6.15		-	
1Q of FY ended Oct. 31, 2022	6.13		-	

#### (2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
	Millions of yen	Millions of yen	%
1Q of FY ending Oct. 31, 2023	18,316	8,687	47.3
FY ended Oct. 31, 2022	20,251	9,170	45.1

Reference: Equity capital: 1Q of FY ending Oct. 31, 2023: 8,654 million yen; FY ended Oct. 31, 2022: 9,139 million yen

### 2. Dividends

	Dividends per share				
	1Q End	2Q End	3Q End	FY End	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended Oct. 31, 2022	-	0.00	-	10.00	10.00
FY ending Oct. 31, 2023	-				
FY ending Oct. 31, 2023 (forecast)		0.00	-	12.00	12.00

Note: Revisions to the latest projected dividends: No

### 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

Note: Revisions to the latest projected financial results: No

\* 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) Application of specific accounting policies for preparation of quarterly consolidated financial statements: No

(3) 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 "2. Quarterly Consolidated Financial Statements and Notes; (3) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)" (attachments, page 7).

(4) Number of shares issued (common stock)

1) Number of shares issued at the end of period (including treasury shares)

1Q of FY ending Oct. 31, 2023	29,956,800 shares	FY ended Oct. 31, 2022	29,956,800 shares
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2) Number of treasury shares at the end of period

1Q of FY ending Oct. 31, 2023	1,007,949 shares	FY ended Oct. 31, 2022	427,349 shares
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3) Average number of shares outstanding during the period (quarterly cumulative)

1Q of FY ending Oct. 31, 2023	29,301,428 shares	1Q of FY ended Oct. 31, 2022	29,397,812 shares
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Note: Figures for treasury shares include 341,000 shares of the IKK stock held by the IKK Employee Stock Ownership Association Exclusive Trust at the end of the first quarter of the current fiscal year.

\* The current quarterly financial report is not subject to 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. Qualitative Information on Quarterly Financial Results; (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" (attachments, page 2).

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Results of Operations

In the first quarter of the current fiscal year (November 1, 2022 to January 31, 2023), social and economic activity began to return to normal in Japan as restrictions involving the pandemic that were in place for a long time were eased. The outlook for the economy remains uncertain because of increasing geopolitical risk, including the Ukraine crisis, and economic risk such as rapidly rising prices in Japan caused by the yen's decline.

In the wedding industry, the number of weddings and receptions is gradually increasing due to the resumption of various events attended by many people as social and economic activity returns to normal.

IKK Holdings Inc. ("IKK") and its group companies (the "IKK Group") continued to hold weddings and receptions while making the safety of guests and employees the highest priority. All activities include every possible measure for protection against infections.

First quarter sales increased 26.0% from one year earlier to 4,912 million yen. Operating profit increased 201.2% to 362 million yen, ordinary profit increased 68.0% to 369 million yen, and profit attributable to owners of parent **decreased 0.0%** to 180 million yen.

Business segment performance was as follows:

#### a) Wedding Operations

As numerous restrictions for safety during the pandemic ended, the IKK Group continued to hold weddings and receptions accompanied by many pandemic safety measures.

As a result, sales increased 25.7% from one year earlier to 4,696 million yen due to the higher number of weddings. Operating profit increased 220.9% to 376 million yen.

#### b) Nursing-care Operations

Sales increased 1.7% from one year earlier to 140 million yen and operating profit increased 2.9% to 2 million yen.

#### c) Food Business

Sales increased 55.9% from one year earlier to 66 million yen and operating profit increased 56.0% to 14 million yen.

#### d) Photography Business

A subsidiary was established in November 2021 to operate photography business. There were sales of 43 million yen and an operating loss of 16 million yen compared with a 6 million yen loss one year earlier.

#### 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 14 million yen compared with a 2 million yen loss one year earlier.

### (2) Explanation of Financial Position

Total assets were 18,316 million yen at the end of the first quarter of the current fiscal year, 1,934 million yen less than at the end of the previous fiscal year. The main causes were decreases of 1,917 million yen in cash and deposits and 189 million yen in accounts receivable-trade. There was an increase of 376 million yen in property, plant and equipment.

Liabilities decreased 1,451 million yen to 9,629 million yen. The main causes were decreases of 382 million yen in accounts payable-trade, 779 million yen in income taxes payable, and other current liabilities of 717 million yen. There was an increase of 557 million yen in long-term borrowings.

Net assets decreased 482 million yen to 8,687 million yen. The main cause was an increase due to profit attributable to owners of parent of 180 million yen, and decreases due to dividends from surplus of 299 million yen and purchase of treasury shares of 399 million yen. As a result, compared with the end of the previous fiscal year, the equity ratio rose by 2.2 percentage point to 47.3%.

### (3) Explanation of Consolidated Forecast and Other Forward-looking Statements

The first half and fiscal year consolidated forecasts announced on December 12, 2022 remain unchanged.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

	(Thousands of yen)	
	Previous Consolidated FY (Oct. 31, 2022)	Current Consolidated FY, 1Q (Jan. 31, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	5,891,686	3,974,198
Accounts receivable-trade	459,639	269,836
Merchandise	240,238	218,557
Raw materials and supplies	82,897	85,499
Other	537,053	528,764
Allowance for doubtful accounts	(7,974)	(3,920)
<b>Total current assets</b>	<b>7,203,541</b>	<b>5,072,935</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,794,750	7,670,833
Land	1,850,919	1,850,919
Other, net	637,344	1,138,006
<b>Total property, plant and equipment</b>	<b>10,283,014</b>	<b>10,659,759</b>
Intangible assets	160,306	161,591
Investments and other assets		
Guarantee deposits	1,447,559	1,410,083
Other	1,157,087	1,012,344
<b>Total investments and other assets</b>	<b>2,604,647</b>	<b>2,422,428</b>
<b>Total non-current assets</b>	<b>13,047,967</b>	<b>13,243,779</b>
<b>Total assets</b>	<b>20,251,509</b>	<b>18,316,714</b>
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	853,784	471,529
Short-term borrowings	2,150,000	2,150,000
Current portion of long-term borrowings	774,796	839,492
Income taxes payable	785,757	6,149
Provision for bonuses	296,569	165,483
Other	2,743,857	2,026,811
<b>Total current liabilities</b>	<b>7,604,765</b>	<b>5,659,465</b>
Non-current liabilities		
Long-term borrowings	1,877,328	2,370,258
Retirement benefit liability	34,284	32,712
Provision for point card certificates	14,663	14,750
Asset retirement obligations	1,064,951	1,067,717
Other	485,450	484,585
<b>Total non-current liabilities</b>	<b>3,476,677</b>	<b>3,970,023</b>
<b>Total liabilities</b>	<b>11,081,442</b>	<b>9,629,488</b>

	(Thousands of yen)	
	Previous Consolidated FY (Oct. 31, 2022)	Current Consolidated FY, 1Q (Jan. 31, 2023)
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	351,655	351,655
Capital surplus	347,861	348,353
Retained earnings	8,629,766	8,510,834
Treasury shares	(252,415)	(632,944)
<b>Total shareholders' equity</b>	<b>9,076,868</b>	<b>8,577,899</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	14,797	8,138
Remeasurements of defined benefit plans	14,183	13,640
Foreign currency translation adjustment	33,214	55,106
<b>Total accumulated other comprehensive income</b>	<b>62,194</b>	<b>76,885</b>
<b>Non-controlling interests</b>	<b>31,004</b>	<b>32,439</b>
<b>Total net assets</b>	<b>9,170,067</b>	<b>8,687,225</b>
<b>Total liabilities and net assets</b>	<b>20,251,509</b>	<b>18,316,714</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
 (Quarterly Consolidated Statement of Income)  
 (For the Three-month Period)

	(Thousands of yen)	
	1Q of Previous Consolidated Period (Nov. 1, 2021 - Jan. 31, 2022)	1Q of Current Consolidated Period (Nov. 1, 2022 - Jan. 31, 2023)
Net sales	3,897,997	4,912,277
Cost of sales	1,630,840	2,073,423
Gross profit	2,267,156	2,838,853
Selling, general and administrative expenses	2,146,883	2,476,545
Operating profit	120,273	362,308
Non-operating income		
Interest income	2,420	3,006
Guarantee commission received	6,014	6,014
Subsidies for employment adjustment	96,211	-
Other	7,213	7,842
Total non-operating income	111,858	16,863
Non-operating expenses		
Interest expenses	4,275	4,669
Commission fee	-	2,440
Loss on cancellation of leases	5,256	-
Other	2,458	2,221
Total non-operating expenses	11,990	9,331
Ordinary profit	220,142	369,841
Extraordinary losses		
Loss on retirement of non-current assets	2,259	2,905
Total extraordinary losses	2,259	2,905
Profit before income taxes	217,883	366,935
Income taxes-current	20,998	49,263
Income taxes-deferred	18,095	138,357
Total income taxes	39,093	187,620
Profit	178,789	179,314
Loss attributable to non-controlling interests	(1,399)	(795)
Profit attributable to owners of parent	180,188	180,110

(Quarterly Consolidated Statement of Comprehensive Income)  
(For the Three-month Period)

	(Thousands of yen)	
	1Q of Previous Consolidated Period (Nov. 1, 2021 - Jan. 31, 2022)	1Q of Current Consolidated Period (Nov. 1, 2022 - Jan. 31, 2023)
Profit	178,789	179,314
Other comprehensive income		
Valuation difference on available-for-sale securities	(12,765)	(6,658)
Remeasurements of defined benefit plans, net of tax	(900)	(491)
Foreign currency translation adjustment	20,311	23,414
Total other comprehensive income	6,645	16,264
Comprehensive income	185,435	195,579
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	184,120	194,802
Comprehensive income attributable to non-controlling interests	1,314	777

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on Premise of Going Concern)

No related information.

(Notes on Significant Fluctuation in Amounts of Shareholders' Equity)

No related information.

(Changes in Accounting Policies)

Application of the Implementation Guidance on Accounting Standards for Measurement of Fair Value

IKK has applied the Implementation Guidance on Accounting Standard for Measurement of Fair Value (Accounting Standards Board of Japan (ASBJ) Guidance No. 31, June 17, 2021) from the beginning of the first quarter of the current fiscal year, and has applied the new accounting policies set forth by the Implementation Guidance on Accounting Standard for Measurement of Fair Value, etc. prospectively in accordance with the transitional treatment in the Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Measurement of Fair Value. There is no effect of the application of these standards on the quarterly consolidated financial statements.

(Additional Information)

Accounting estimates associated with the COVID-19 pandemic

In estimating the impairment of non-current assets and the amount of deferred tax assets that can be recovered there have been no significant changes to the assumptions made concerning the spread of the COVID-19 pandemic in the securities report for the previous fiscal year.