



## Consolidated Financial Results for the First Quarter of the Fiscal Year Ending October 31, 2024 (Japanese GAAP)

March 14, 2024  
Listed on: Tokyo Stock Exchange

Name of listed company: IKK Holdings Inc.  
 Securities code: 2198 URL: <https://www.ikk-grp.jp/>  
 Representative: Katsushi Kaneko, Chairman and chief Executive Officer  
 Contact: Kazuya Nagashima, Manager of Management Division TEL: +81-92-937-7030  
 Scheduled date of filing quarterly financial report: March 14, 2024  
 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, 2024 (Nov. 1, 2023 – Jan. 31, 2024)

#### (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, 2024 | 5,156           | 5.0  | 436              | 20.6  | 442             | 19.7 | 286                                     | 58.8  |
| 1Q of FY ended Oct. 31, 2023  | 4,912           | 26.0 | 362              | 201.2 | 369             | 68.0 | 180                                     | (0.0) |

Note: Comprehensive income: 1Q of FY ending Oct. 31, 2024: 291 million yen (up 49.1%); 1Q of FY ended Oct. 31, 2023: 195 million yen (up 5.5%)

|                               | Net Income per Share |  | Diluted Net Income per Share |  |
|-------------------------------|----------------------|--|------------------------------|--|
|                               | Yen                  |  | Yen                          |  |
| 1Q of FY ending Oct. 31, 2024 | 9.90                 |  | -                            |  |
| 1Q of FY ended Oct. 31, 2023  | 6.15                 |  | -                            |  |

#### (2) Consolidated financial position

|                               | Total Assets    | Net Assets      | Equity Ratio |
|-------------------------------|-----------------|-----------------|--------------|
|                               | Millions of yen | Millions of yen | %            |
| 1Q of FY ending Oct. 31, 2024 | 18,261          | 9,134           | 49.8         |
| FY ended Oct. 31, 2023        | 20,012          | 10,050          | 50.0         |

Reference: Equity capital: 1Q of FY ending Oct. 31, 2024: 9,098 million yen; FY ended Oct. 31, 2023: 10,014 million yen

### 2. Dividends

|                                       | Dividends per share |             |          |              |              |
|---------------------------------------|---------------------|-------------|----------|--------------|--------------|
|                                       | 1Q End              | 2Q End      | 3Q End   | FY End       | Annual       |
| FY ended Oct. 31, 2023                | Yen<br>-            | Yen<br>0.00 | Yen<br>- | Yen<br>24.00 | Yen<br>24.00 |
| FY ending Oct. 31, 2024               | -                   |             |          |              |              |
| FY ending Oct. 31, 2024<br>(forecast) |                     | 0.00        | -        | 24.00        | 24.00        |

Note: Revisions to the latest projected dividends: No

### 3. Consolidated financial forecast for the FY ending October 31, 2024 (Nov. 1, 2023 - Oct. 31, 2024)

(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 | 10,830          | 9.0 | 570              | 105.5 | 580             | 90.8 | 305                                     | 170.7 | 10.62                |
| Full year  | 23,350          | 6.2 | 2,130            | 8.9   | 2,145           | 7.0  | 1,420                                   | 5.9   | 49.52                |

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.: No

2) Changes in accounting policies other than 1): No

3) Changes in accounting estimates: No

4) Restatement: No

(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, 2024 | 29,956,800 shares | FY ended Oct. 31, 2023 | 29,956,800 shares |
|-------------------------------|-------------------|------------------------|-------------------|

2) Number of treasury shares at the end of period

|                               |                  |                        |                |
|-------------------------------|------------------|------------------------|----------------|
| 1Q of FY ending Oct. 31, 2024 | 1,425,632 shares | FY ended Oct. 31, 2023 | 645,632 shares |
|-------------------------------|------------------|------------------------|----------------|

3) Average number of shares outstanding during the period (quarterly cumulative)

|                               |                   |                              |                   |
|-------------------------------|-------------------|------------------------------|-------------------|
| 1Q of FY ending Oct. 31, 2024 | 28,892,290 shares | 1Q of FY ended Oct. 31, 2023 | 29,301,428 shares |
|-------------------------------|-------------------|------------------------------|-------------------|

Note: Note: The Board of Directors of the Company approved a resolution on December 11, 2023 to reintroduce the Trust-Type Employee Stock Ownership Incentive Plan (e-Ship). Figures for treasury shares include 780,000 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 quarterly review 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 3).

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Results of Operations

During the first quarter of the current fiscal year (November 1, 2023, to January 31, 2024), the Japanese economy continued to recover due to further normalization of social and economic activities in Japan and overseas following the reclassification of COVID-19 as a Category V infectious disease. However, the outlook for the economy remains uncertain because of concerns about the impact on the Japanese and global economies of such factors as the yen's weakness caused by higher interest rates in other countries and increasing geopolitical risk involving the Middle East.

In the wedding industry, the number of weddings in Japan in 2023 was 480,000 (Ministry of Health, Labour and Welfare, 2023 Annual Estimate of Preliminary Vital Statistics), down 30,000 from 2022. Although the number of weddings and receptions is decreasing slowly as the prime wedding age population declines, the guest house wedding market is still generally healthy.

During the first quarter, as perceptions of the value of weddings continue to diversify in Japan, we took many actions in line with the IKK Group's philosophy of "dedicated to the smiles and happiness of the special people in your life." There were internal and external employee training activities to give our people the personal strengths and customer interaction skills needed to provide personalized wedding services. In addition, we used many initiatives at wedding facilities to attract more customers. One major initiative is strengthening our information collection and analysis skills that use our own sales support system. To capture a larger share of Japan's wedding market, we integrated digital marketing as a tool to better identify potential customer needs, thus enhancing our ability to attract customers and boosting sales.

First quarter net sales increased 5.0% from one year earlier to 5,156 million yen. Operating profit increased 20.6% to 436 million yen, ordinary profit increased 19.7% to 442 million yen, and profit attributable to owners of parent increased 58.8% to 286 million yen.

Business segment performance was as follows:

#### a) Wedding Business

Sales increased 2.7% from one year earlier to 4,821 million yen mainly due to the opening of the GEIHINGAN KAIRAKUEN BETTEI (Mito Branch) in April 2023, and an increase in average sales per wedding despite decline in the number of weddings at existing locations. Operating profit increased 0.3% to 377 million yen mainly due to higher personnel expenses.

#### b) Nursing-care Business

Sales increased 11.5% from one year earlier to 156 million yen mainly due to the opening of I Care Life Imari (Imari Second Branch) in March 2023, but operating profit decreased 84.8% to 0 million yen mainly due to higher personnel expenses.

#### c) Food Business

Sales increased 6.1% from one year earlier to 70 million yen and operating profit decreased 12.8% to 12 million yen mainly due to higher personnel expenses.

#### d) Photography Business

Sales increased 243.5% from one year earlier to 150 million yen and there was operating profit of 46 million yen compared with a 16 million yen loss one year earlier mainly due to the opening of studio clori. NAGOYA (Nagoya Branch) in March 2023.

#### e) Matrimonial Matchmaking Business

Sales increased 199.5% from one year earlier to 5 million yen and an operating loss of 1 million yen compared with a 14 million yen loss one year earlier.

### (2) Explanation of Financial Position

Total assets were 18,261 million yen at the end of the first quarter of the current fiscal year, 1,750 million yen less than at the end of the previous fiscal year. The main causes include decreases of 1,328 million yen in cash and deposits, 216 million yen in accounts receivable-trade and 103 million yen in investments and other assets.

Liabilities decreased 834 million yen to 9,127 million yen. The main causes were decreases of 440 million yen in accounts payable-trade, 309 million yen in income taxes payable, 206 million yen in other

current liabilities, and 185 million yen in provision for bonuses. There was an increase of 276 million yen in long-term borrowings.

Net assets decreased 915 million yen to 9,134 million yen. The main causes include an increase due to profit attributable to owners of parent of 286 million yen, a decrease due to dividends from surplus of 703 million yen, and an increase of 501 million yen in treasury shares as the reintroduced Trust-Type Employee Stock Ownership Incentive Plan conducted purchase and disposal of treasury shares. As a result, compared with the end of the previous fiscal year, the equity ratio fell by 0.2 percentage points to 49.8%.

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

The first half and fiscal year consolidated forecasts announced on December 11, 2023 remain unchanged.

## 2. Quarterly Consolidated Financial Statements and Notes

### (1) Quarterly Consolidated Balance Sheet

|  | (Thousands of yen)                          |  |
|--|---|--|
|  | Previous Consolidated FY<br>(Oct. 31, 2023) | Current Consolidated FY, 1Q<br>(Jan. 31, 2024) |
| <b>Assets</b>                              |   |  |
| Current assets                             |   |  |
| Cash and deposits                          | 5,011,277                                   | 3,683,111                                      |
| Accounts receivable-trade                  | 447,796                                     | 231,407  |
| Merchandise                                | 204,467                                     | 208,787  |
| Raw materials and supplies                 | 91,029                                      | 104,571  |
| Other                                      | 631,707                                     | 575,543  |
| Allowance for doubtful accounts            | (9,596)                                     | (3,339)  |
| <b>Total current assets</b>                | <b>6,376,681</b>                            | <b>4,800,081</b>                               |
| Non-current assets                         |   |  |
| Property, plant and equipment              |   |  |
| Buildings and structures, net              | 8,922,911                                   | 8,846,998                                      |
| Land                                       | 1,850,919                                   | 1,886,584                                      |
| Other, net                                 | 335,850                                     | 346,022  |
| <b>Total property, plant and equipment</b> | <b>11,109,680</b>                           | <b>11,079,604</b>                              |
| Intangible assets                          | 163,724                                     | 161,568  |
| Investments and other assets               |   |  |
| Guarantee deposits                         | 1,297,564                                   | 1,260,027                                      |
| Other                                      | 1,064,353                                   | 960,565  |
| <b>Total investments and other assets</b>  | <b>2,361,918</b>                            | <b>2,220,592</b>                               |
| <b>Total non-current assets</b>            | <b>13,635,323</b>                           | <b>13,461,765</b>                              |
| <b>Total assets</b>                        | <b>20,012,005</b>                           | <b>18,261,847</b>                              |
| <b>Liabilities</b>                         |   |  |
| Current liabilities                        |   |  |
| Accounts payable-trade                     | 915,516                                     | 475,297  |
| Short-term borrowings                      | 150,000                                     | 150,000  |
| Current portion of long-term borrowings    | 1,114,458                                   | 1,121,648                                      |
| Income taxes payable                       | 315,283                                     | 5,803  |
| Provision for bonuses                      | 373,913                                     | 188,864  |
| Other                                      | 2,234,403                                   | 2,027,594                                      |
| <b>Total current liabilities</b>           | <b>5,103,575</b>                            | <b>3,969,208</b>                               |
| Non-current liabilities                    |   |  |
| Long-term borrowings                       | 3,132,601                                   | 3,402,244                                      |
| Retirement benefit liability               | 25,282                                      | 25,686   |
| Provision for point card certificates      | 13,562                                      | 13,654   |
| Asset retirement obligations               | 1,199,356                                   | 1,202,503                                      |
| Other                                      | 487,545                                     | 514,152  |
| <b>Total non-current liabilities</b>       | <b>4,858,347</b>                            | <b>5,158,241</b>                               |
| <b>Total liabilities</b>                   | <b>9,961,922</b>                            | <b>9,127,449</b>                               |

|   | (Thousands of yen)                          |  |
|---|---|--|
|   | Previous Consolidated FY<br>(Oct. 31, 2023) | Current Consolidated FY, 1Q<br>(Jan. 31, 2024) |
| <b>Net assets</b>                                     |   |  |
| Shareholders' equity                                  |   |  |
| Share capital   | 351,655                                     | 351,655  |
| Capital surplus                                       | 348,488                                     | 346,188  |
| Retained earnings                                     | 9,671,036                                   | 9,253,617                                      |
| Treasury shares                                       | (422,560)                                   | (924,100)                                      |
| <b>Total shareholders' equity</b>                     | <b>9,948,620</b>                            | <b>9,027,360</b>                               |
| Accumulated other comprehensive income                |   |  |
| Valuation difference on available-for-sale securities | 8,138                                       | 14,797   |
| Remeasurements of defined benefit plans               | 11,866                                      | 9,971  |
| Foreign currency translation adjustment               | 46,349                                      | 46,349   |
| <b>Total accumulated other comprehensive income</b>   | <b>66,355</b>                               | <b>71,118</b>                                  |
| <b>Non-controlling interests</b>                      | <b>35,107</b>                               | <b>35,919</b>                                  |
| <b>Total net assets</b>                               | <b>10,050,083</b>                           | <b>9,134,398</b>                               |
| <b>Total liabilities and net assets</b>               | <b>20,012,005</b>                           | <b>18,261,847</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<br>Consolidated Period<br>(Nov. 1, 2022 - Jan. 31, 2023) | 1Q of Current<br>Consolidated Period<br>(Nov. 1, 2023 - Jan. 31, 2024) |
| Net sales   | 4,912,277   | 5,156,503  |
| Cost of sales   | 2,073,423   | 2,114,936  |
| Gross profit  | 2,838,853   | 3,041,566  |
| Selling, general and administrative expenses            | 2,476,545   | 2,604,684  |
| Operating profit  | 362,308   | 436,882  |
| Non-operating income                                    |   |  |
| Interest income   | 3,006   | 4,660  |
| Other   | 13,856  | 9,828  |
| Total non-operating income                              | 16,863  | 14,488   |
| Non-operating expenses                                  |   |  |
| Interest expenses                                       | 4,669   | 4,895  |
| Other   | 4,661   | 3,723  |
| Total non-operating expenses                            | 9,331   | 8,618  |
| Ordinary profit   | 369,841   | 442,751  |
| Extraordinary income                                    |   |  |
| Subsidy income  | -   | 35,741   |
| Total extraordinary income                              | -   | 35,741   |
| Extraordinary losses                                    |   |  |
| Loss on retirement of non-current assets                | 2,905   | 13,714   |
| Total extraordinary losses                              | 2,905   | 13,714   |
| Profit before income taxes                              | 366,935   | 464,778  |
| Income taxes-current                                    | 49,263  | 27,430   |
| Income taxes-deferred                                   | 138,357   | 150,458  |
| Total income taxes                                      | 187,620   | 177,889  |
| Profit  | 179,314   | 286,889  |
| Profit (loss) attributable to non-controlling interests | (795)   | 841  |
| Profit attributable to owners of parent                 | 180,110   | 286,048  |

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

|   | (Thousands of yen)  |  |
|---|---|--|
|   | 1Q of Previous<br>Consolidated Period<br>(Nov. 1, 2022 - Jan. 31, 2023) | 1Q of Current<br>Consolidated Period<br>(Nov. 1, 2023 - Jan. 31, 2024) |
| Profit  | 179,314   | 286,889  |
| Other comprehensive income  |   |  |
| Valuation difference on<br>available-for-sale securities          | (6,658)   | 6,658  |
| Remeasurements of defined benefit<br>plans, net of tax            | (491)   | (1,925)  |
| Foreign currency translation adjustment                           | 23,414  | (0)  |
| Total other comprehensive income                                  | 16,264  | 4,732  |
| Comprehensive income  | 195,579   | 291,622  |
| (Comprehensive income attributable to)                            |   |  |
| Comprehensive income attributable to<br>owners of parent          | 194,802   | 290,811  |
| Comprehensive income attributable to<br>non-controlling interests | 777   | 811  |

(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.