



**Consolidated Financial Results for the Fiscal Year Ended October 31, 2023
(Japanese GAAP)**



December 11, 2023
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

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Scheduled date of Annual General Meeting of Shareholders: January 30, 2024

Scheduled date of filing securities report: January 30, 2024

Scheduled date of starting dividends distribution: January 31, 2024

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, 2023 (Nov. 1, 2022 - Oct. 31, 2023)

(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, 2023	21,990	15.4	1,955	8.1	2,005	(4.3)	1,340	(4.2)
FY ended Oct. 31, 2022	19,056	65.3	1,808	-	2,096	-	1,398	-

Note: Comprehensive income: FY ended Oct. 31, 2023: 1,348 million yen (down 8.5%); FY ended Oct. 31, 2022: 1,473 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, 2023	45.93	-	14.0	9.9	8.9
FY ended Oct. 31, 2022	47.48	-	16.7	11.1	9.5

Reference: Equity in earnings of affiliated companies: FY ended Oct. 31, 2023: - million yen; FY ended Oct. 31, 2022: - 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, 2023	20,012	10,050	50.0	341.68
As of Oct. 31, 2022	20,251	9,170	45.1	309.49

Reference: Equity capital: As of Oct. 31, 2023: 10,014 million yen; As of Oct. 31, 2022: 9,139 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, 2023	1,665	(1,685)	(874)	4,917
FY ended Oct. 31, 2022	3,497	(750)	(426)	5,800

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, 2022	-	0.00	-	10.00	10.00	299	21.1	3.5
FY ended Oct. 31, 2023	-	0.00	-	24.00	24.00	703	52.3	7.4
FY ending Oct. 31, 2024 (forecast)	-	0.00	-	24.00	24.00		48.5	

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

* 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, 2023	29,956,800 shares	As of Oct. 31, 2022	29,956,800 shares
As of Oct. 31, 2023	645,632 shares	As of Oct. 31, 2022	427,349 shares
FY ended Oct. 31, 2023	29,178,772 shares	FY ended Oct. 31, 2022	29,458,200 shares

(Reference) Non-consolidated financial results

Non-consolidated financial results for the FY ended October 31, 2023 (Nov. 1, 2022 - Oct. 31, 2023)

(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, 2023	3,917	54.9	1,163	531.8	1,190	280.7	1,125	591.3
FY ended Oct. 31, 2022	2,529	(76.7)	184	-	312	-	162	-

	Net Income per Share	Diluted Net Income per Share
	Yen	Yen
FY ended Oct. 31, 2023	38.57	-
FY ended Oct. 31, 2022	5.53	-

(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, 2023	14,669	8,588	58.5	293.00
As of Oct. 31, 2022	14,404	7,939	55.1	268.86

Reference: Equity capital: As of Oct. 31, 2023: 8,588 million yen; As of Oct. 31, 2022: 7,939 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 3).

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1. Overview of Results of Operations

(1) Results of Operations

During the fiscal year that ended in October 2023, COVID-19 was officially reclassified as a Category V infectious disease under the Infectious Diseases Control Law. The Japanese economy continued to recover gradually from the pandemic as social and economic activities returned to normal and demand of foreign tourists in Japan recovered. 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 high cost of resources due to 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 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.

Fiscal year sales increased 15.4% from one year earlier to 21,990 million yen. Operating profit increased 8.1% to 1,955 million yen, ordinary profit decreased 4.3% to 2,005 million yen, and profit attributable to owners of parent decreased 4.2% to 1,340 million yen.

Business segment performance was as follows:

a) Wedding Business

As numerous restrictions for safety during the pandemic ended, the IKK Group continued to hold weddings and receptions accompanied by many pandemic safety measures. The GEIHINKAN KAIRAKUEN BETTEI (Mito Branch) was opened in April 2023.

As a result, sales increased 13.9% from one year earlier to 21,007 million yen and operating profit increased 6.3% to 2,008 million yen.

b) Nursing-care Business

Sales increased 8.6% from one year earlier to 592 million yen mainly due to the opening of I Care Life Imari (Imari Second Branch) in March 2023, but there was an operating loss of 11 million yen compared with a 2 million yen loss one year earlier mainly due to opening expenses.

c) Food Business

Sales increased 43.0% from one year earlier to 260 million yen and operating profit increased 49.9% to 59 million yen.

d) Photography Business

A subsidiary was established in November 2021 to operate photography business, and studio clori. NAGOYA (Nagoya Branch) was opened in March 2023.

There were sales of 310 million yen compared with 14 million yen one year earlier and an operating loss of 49 million yen compared with an 87 million yen loss one year earlier mainly due to opening expenses.

e) Matrimonial Matchmaking Business

A subsidiary was established in November 2021 to operate matrimonial matchmaking business. There were sales of 12 million yen compared with sales of 1 million yen one year earlier and an operating loss of 50 million yen compared with a 29 million yen loss one year earlier.

(2) Financial Position

a) Assets

Current assets were 6,376 million yen at the end of the current fiscal year, 826 million yen less than at the end of the previous fiscal year. The main causes were decreases of 880 million yen in cash and deposits and 69 million yen in other current assets, and an increase of 164 million yen in income taxes refund receivable.

Non-current assets increased 587 million yen to 13,635 million yen. This was mainly attributable to an increase of 1,128 million yen in buildings and structures, and decreases of 382 million yen in construction in progress and 149 million yen in guarantee deposits.

b) Liabilities

Current liabilities decreased 2,501 million yen to 5,103 million yen. The main causes were decreases of 2,000 million yen in short-term borrowings and 676 million yen in other current liabilities.

Non-current liabilities increased 1,381 million yen to 4,858 million yen. This was mainly attributable

to an increase of 1,255 million yen in long-term borrowings.

c) Net assets

Net assets increased 880 million yen to 10,050 million yen. The main cause was an increase due to profit attributable to owners of parent of 1,340 million yen, a decrease due to dividends from surplus of 299 million yen, and a decrease of 170 million yen in treasury shares due to purchase and sales of treasury shares. As a result, compared with the end of the previous fiscal year, the equity ratio rose by 4.9 percentage point to 50.0%.

(3) Cash Flows

Cash and cash equivalents (hereinafter, “cash”) at the end of the current fiscal year were 4,917 million yen, a decrease of 883 million yen (15.2%) from the end of the previous fiscal year.

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

a) Cash flows from operating activities

Cash provided by operating activities was 1,665 million yen (a decrease of 52.4% year on year). Main cash inflows include profit before income taxes of 2,098 million yen, depreciation of 1,094 million yen, an increase in provision for bonuses of 77 million yen, an increase in trade payables of 62 million yen, an increase in contract liabilities of 163 million yen and a decrease in consumption taxes refund receivable of 128 million yen. Outflows include a decrease in accounts payable-other of 155 million yen, a decrease in accrued consumption taxes of 528 million yen and an increase in income taxes paid of 1,388 million yen.

b) Cash flows from investing activities

Cash used in investing activities was 1,685 million yen (an increase of 124.6% year on year), mainly attributable to the outlays of 1,802 million yen for the purchase of property, plant and equipment.

c) Cash flows from financing activities

Cash used in financing activities was 874 million yen (an increase of 105.0% year on year). Main cash inflows include proceeds from long-term borrowings of 2,670 million yen. Outflows include a net decrease in short-term borrowings of 2,000 million yen, 1,075 million yen for repayments of long-term borrowings and 400 million yen for purchase of treasury shares.

Reference: Cash flow indicator trends

	FY2019	FY2020	FY2021	FY2022	FY2023
Equity ratio (%)	59.8	44.1	43.0	45.1	50.0
Equity ratio at market value (%)	97.6	106.9	112.7	91.9	94.8
Ratio of interest-bearing debt to cash flows (year)	1.8	-	2.0	1.4	2.6
Interest coverage ratio (times)	110.0	-	119.6	211.0	85.3

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

In Japan, social and economic activities are returning to normal after COVID-19 was officially reclassified as a Category V infectious disease under the Infectious Diseases Control Law.

Due to the current recovery in the number of weddings and guests, we forecast sales of 23,350 million yen, up 6.2%, operating profit of 2,130 million yen, up 8.9%, ordinary profit of 2,145 million yen, up 7.0%, and profit attributable to owners of parent of 1,420 million yen, up 5.9% in the fiscal year ending in October 2024.

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

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, 2022)	Current Consolidated FY (Oct. 31, 2023)
Assets		
Current assets		
Cash and deposits	5,891,686	5,011,277
Accounts receivable-trade	459,639	447,796
Merchandise	240,238	204,467
Raw materials and supplies	82,897	91,029
Income taxes refund receivable	2,256	166,706
Other	534,797	465,000
Allowance for doubtful accounts	(7,974)	(9,596)
Total current assets	7,203,541	6,376,681
Non-current assets		
Property, plant and equipment		
Buildings and structures	19,230,015	21,169,625
Accumulated depreciation and impairment loss	(11,435,264)	(12,246,714)
Buildings and structures, net	7,794,750	8,922,911
Machinery, equipment and vehicles	66,391	76,335
Accumulated depreciation	(40,000)	(53,084)
Machinery, equipment and vehicles, net	26,390	23,251
Land	1,850,919	1,850,919
Construction in progress	386,758	4,026
Other	511,053	1,289,142
Accumulated depreciation	(286,858)	(980,570)
Other, net	224,195	308,572
Total property, plant and equipment	10,283,014	11,109,680
Intangible assets	160,306	163,724
Investments and other assets		
Deferred tax assets	328,042	340,951
Guarantee deposits	1,447,559	1,297,564
Other	849,337	746,560
Allowance for doubtful accounts	(20,292)	(23,158)
Total investments and other assets	2,604,647	2,361,918
Total non-current assets	13,047,967	13,635,323
Total assets	20,251,509	20,012,005

	(Thousands of yen)	
	Previous Consolidated FY (Oct. 31, 2022)	Current Consolidated FY (Oct. 31, 2023)
Liabilities		
Current liabilities		
Accounts payable-trade	853,784	915,516
Short-term borrowings	2,150,000	150,000
Current portion of long-term borrowings	774,796	1,114,458
Income taxes payable	785,757	315,283
Contract liabilities	1,058,745	1,225,544
Provision for bonuses	296,569	373,913
Other	1,685,111	1,008,858
Total current liabilities	7,604,765	5,103,575
Non-current liabilities		
Long-term borrowings	1,877,328	3,132,601
Retirement benefit liability	34,284	25,282
Provision for point card certificates	14,663	13,562
Asset retirement obligations	1,064,951	1,199,356
Deferred tax liabilities	3,350	16,877
Other	482,099	470,667
Total non-current liabilities	3,476,677	4,858,347
Total liabilities	11,081,442	9,961,922
Net assets		
Shareholders' equity		
Share capital	351,655	351,655
Capital surplus	347,861	348,488
Retained earnings	8,629,766	9,671,036
Treasury shares	(252,415)	(422,560)
Total shareholders' equity	9,076,868	9,948,620
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,797	8,138
Remeasurements of defined benefit plans	14,183	11,866
Foreign currency translation adjustment	33,214	46,349
Total accumulated other comprehensive income	62,194	66,355
Non-controlling interests	31,004	35,107
Total net assets	9,170,067	10,050,083
Total liabilities and net assets	20,251,509	20,012,005

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statement of Income

(Thousands of yen)

	Previous Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022)	Current Consolidated FY (Nov. 1, 2022 - Oct. 31, 2023)
Net sales	19,056,906	21,990,121
Cost of sales	7,816,582	9,102,767
Gross profit	11,240,324	12,887,354
Selling, general and administrative expenses	9,431,662	10,932,217
Operating profit	1,808,661	1,955,137
Non-operating income		
Interest income	10,661	13,657
Guarantee commission received	24,123	16,060
Commission income	8,697	11,179
Subsidies for employment adjustment	244,087	-
Other	29,333	38,712
Total non-operating income	316,903	79,609
Non-operating expenses		
Interest expenses	16,309	19,391
Loss on cancellation of leases	5,905	-
Other	7,186	10,022
Total non-operating expenses	29,401	29,414
Ordinary profit	2,096,163	2,005,332
Extraordinary income		
Subsidy income	-	122,626
Total extraordinary income	-	122,626
Extraordinary losses		
Loss on retirement of non-current assets	12,916	29,351
Total extraordinary losses	12,916	29,351
Profit before income taxes	2,083,247	2,098,607
Income taxes-current	787,476	749,112
Income taxes-deferred	(96,318)	5,989
Total income taxes	691,158	755,101
Profit	1,392,089	1,343,506
Profit (loss) attributable to non-controlling interests	(6,564)	3,193
Profit attributable to owners of parent	1,398,653	1,340,312

Consolidated Statement of Comprehensive Income

	(Thousands of yen)	
	Previous Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022)	Current Consolidated FY (Nov. 1, 2022 - Oct. 31, 2023)
Profit	1,392,089	1,343,506
Other comprehensive income		
Valuation difference on available-for-sale securities	14,797	(6,658)
Remeasurements of defined benefit plans, net of tax	(3,282)	(2,319)
Foreign currency translation adjustment	70,335	14,048
Total other comprehensive income	81,849	5,070
Comprehensive income	1,473,938	1,348,577
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	1,474,548	1,344,473
Comprehensive income attributable to non-controlling interests	(609)	4,103

(3) Consolidated Statement of Changes in Equity

Previous 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					
Dividends of surplus					-
Profit attributable to owners of parent			1,398,653		1,398,653
Purchase of treasury shares					-
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
Change in ownership interest of parent due to transactions with non-controlling interests					-
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						
Dividends of surplus						-
Profit attributable to owners of parent						1,398,653
Purchase of treasury shares						-
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
Change in ownership interest of parent due to transactions with non-controlling interests						-
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

Current Consolidated FY (Nov. 1, 2022 - Oct. 31, 2023)

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	351,655	347,861	8,629,766	(252,415)	9,076,868
Changes during period					
Dividends of surplus			(299,042)		(299,042)
Profit attributable to owners of parent			1,340,312		1,340,312
Purchase of treasury shares				(400,031)	(400,031)
Disposal of treasury shares		(523)		229,886	229,363
Purchase of shares of consolidated subsidiaries					-
Increases and decreases due to liquidation of consolidated subsidiaries					-
Change in ownership interest of parent due to transactions with non-controlling interests		1,150			1,150
Net changes in items other than shareholders' equity					
Total changes during period	-	626	1,041,270	(170,144)	871,752
Balance at end of period	351,655	348,488	9,671,036	(422,560)	9,948,620

	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	14,797	14,183	33,214	62,194	31,004	9,170,067
Changes during period						
Dividends of surplus						(299,042)
Profit attributable to owners of parent						1,340,312
Purchase of treasury shares						(400,031)
Disposal of treasury shares						229,363
Purchase of shares of consolidated subsidiaries						-
Increases and decreases due to liquidation of consolidated subsidiaries						-
Change in ownership interest of parent due to transactions with non-controlling interests						1,150
Net changes in items other than shareholders' equity	(6,658)	(2,316)	13,135	4,160	4,103	8,264
Total changes during period	(6,658)	(2,316)	13,135	4,160	4,103	880,016
Balance at end of period	8,138	11,866	46,349	66,355	35,107	10,050,083

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	Previous Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022)	Current Consolidated FY (Nov. 1, 2022 - Oct. 31, 2023)
Cash flows from operating activities		
Profit before income taxes	2,083,247	2,098,607
Depreciation	1,011,121	1,094,336
Increase (decrease) in allowance for doubtful accounts	3,611	4,486
Increase (decrease) in provision for bonuses	(2,926)	77,323
Increase (decrease) in retirement benefit liability	(7,888)	(12,495)
Increase (decrease) in provision for point card certificates	(2,152)	(1,101)
Subsidy income	-	(122,626)
Subsidies for employment adjustment	(244,087)	-
Loss on retirement of non-current assets	12,916	29,351
Interest and dividend income	(10,661)	(13,657)
Interest expenses	16,309	19,391
Loss on cancellation of leases	5,905	-
Decrease (increase) in trade receivables	(140,980)	10,708
Decrease (increase) in inventories	53,038	27,642
Increase (decrease) in trade payables	264,949	62,007
Increase (decrease) in accounts payable-other	249,388	(155,125)
Increase (decrease) in contract liabilities	31,875	163,812
Increase (decrease) in accrued consumption taxes	346,134	(528,134)
Decrease (increase) in consumption taxes refund receivable	(230,140)	128,747
Other, net	(141,576)	63,638
Subtotal	3,298,084	2,946,914
Interest and dividend income	6,971	9,030
Interest paid	(16,572)	(19,520)
Subsidies received	-	115,075
Proceeds from subsidy income	244,087	-
Income taxes refund	-	2,296
Income taxes paid	(35,233)	(1,388,030)
Net cash provided by (used in) operating activities	3,497,336	1,665,767
Cash flows from investing activities		
Purchase of investment securities	(99,997)	-
Purchase of property, plant and equipment	(701,249)	(1,802,432)
Purchase of intangible assets	(38,301)	(38,836)
Other, net	89,139	155,899
Net cash provided by (used in) investing activities	(750,409)	(1,685,369)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	50,000	(2,000,000)
Proceeds from long-term borrowings	229,550	2,670,000
Repayments of long-term borrowings	(792,253)	(1,075,065)
Purchase of treasury shares	-	(400,031)
Proceeds from sale of treasury shares	82,162	227,699
Dividends paid	(623)	(298,614)
Other, net	4,408	1,150
Net cash provided by (used in) financing activities	(426,756)	(874,861)
Effect of exchange rate change on cash and cash equivalents	47,041	11,054
Net increase (decrease) in cash and cash equivalents	2,367,213	(883,409)
Cash and cash equivalents at beginning of period	3,433,473	5,800,686
Cash and cash equivalents at end of period	5,800,686	4,917,277

(5) Notes to Consolidated Financial Statements

(Notes on Premise of Going Concern)

No related information.

(Changes in Accounting Policies)

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

IKK has applied the Implementation Guidance on Accounting Standard for Fair Value Measurement (Accounting Standards Board of Japan (ASBJ) Guidance No. 31, June 17, 2021) from the beginning of the current fiscal year, and has applied the new accounting policies set forth by the Implementation Guidance on Accounting Standard for Fair Value Measurement prospectively in accordance with the transitional treatment in the Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement.

There is no effect of the application of the guidance on the consolidated financial statements.

(Segment Information, etc.)

Segment Information

Previous Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022) and Current Consolidated FY (Nov. 1, 2022 - Oct. 31, 2023)

The IKK Group's reporting segments include Wedding Business, Nursing-care Business, Food Business, Photography Business and Matrimonial Matchmaking Business. However, Nursing-care Business, 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, 2021 - Oct. 31, 2022)		Current Consolidated FY (Nov. 1, 2022 - Oct. 31, 2023)	
Net assets per share	309.49 yen	Net assets per share	341.68 yen
Net income per share	47.48 yen	Net income per share	45.93 yen

Notes:

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

		Previous Consolidated FY (Nov. 1, 2021 - Oct. 31, 2022)	Current Consolidated FY (Nov. 1, 2022 - Oct. 31, 2023)
Net income per share			
Profit attributable to owners of parent	(Thousands of yen)	1,398,653	1,340,312
Amount not attributable to common shareholders	(Thousands of yen)	-	-
Profit attributable to common shareholders of parent	(Thousands of yen)	1,398,653	1,340,312
Average number of common shares outstanding during the period	(Shares)	29,458,200	29,178,772

- 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 374,800 shares and 0 share on October 31, 2022 and 2023, 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 per share (deductions of 440,524 shares and 217,245 shares in the fiscal years ended on October 31, 2022 and 2023, respectively).

(Material Subsequent Events)

Reintroduction of Trust-Type Employee Stock Ownership Incentive Plan (E-Ship®)

The IKK Board of Directors approved a resolution on December 11, 2023 to reintroduce the Trust-Type Employee Stock Ownership Incentive Plan (E-Ship®)(the “Plan”) for the purpose of granting incentives to the IKK Group employees in order to achieve medium to long-term growth of the IKK’s corporate value.

1. Overview of the Plan

The Plan functions as an incentive for all employees who belong to the IKK Employee Stock Ownership Association. IKK has established the IKK Employee Stock Ownership Association Exclusive Trust (E-Ship Trust) at a trust bank. This E-Ship Trust will purchase in advance a number of shares of IKK stock equal to the number of shares that the stock ownership association is expected to purchase during the next four years and nine months. Following the purchase of this stock, the E-Ship Trust will continuously sell IKK stock to the stock ownership association. When the E-Ship Trust ends, any cumulative capital gains from the sale of stock to the stock ownership association will be classified as residual trust assets and distributed to qualified trust beneficiaries. IKK will guarantee loans of the E-Ship Trust for funds to acquire IKK stock. Consequently, if there is a cumulative loss from the sale of stock at the end of the trust due to a decline in the price of IKK stock and an outstanding loan at the trust equal to this loss, IKK will cover this cumulative loss.

2. Overview of the E-Ship Trust

- Name: IKK Employee Stock Ownership Association Exclusive Trust
- Trustor: IKK Holdings Inc.
- Trustee: The Nomura Trust and Banking Co., Ltd.
- Beneficiary: Individuals who meet the beneficiary requirements (Individuals who have completed the designated procedure after confirmation of eligibility as a beneficiary)
- Contract date: December 11, 2023
- Period: From December 11, 2023 to September 25, 2028 (plan)
- Purpose: The trust will provide a constant supply of IKK stock to the stock ownership association and distribute trust assets to individuals who meet the beneficiary requirements.

3. Purchase of IKK stock by the E-Ship Trust

- | | |
|--|--|
| (1) Type of shares to be purchased: | IKK common stock |
| (2) Total value of shares to be purchased: | Up to 508 million yen |
| (3) Purchase schedule: | From December 14, 2023 to January 12, 2024 |
| (4) Method of purchase: | Purchase on the Tokyo Stock Exchange |

4. Others

Change in Officers

(1) Change in Representatives

No related information.

(2) Change in Other Officers

- Retiring directors (excluding directors who are Audit and Supervisory Committee members)

Director Masaki Kikuchi

Note: As of the conclusion of the Annual General Meeting of Shareholders scheduled on January 30, 2024, the term of office will expire.

- Retiring directors (directors who are Audit and Supervisory Committee members)

Director (Audit and Supervisory Committee member) Toshiyuki Kubo

Outside Director (Audit and Supervisory Committee member) Hiromi Fujita

Note: As of the conclusion of the Annual General Meeting of Shareholders scheduled on January 30, 2024, the term of office will expire.

- Candidate for directors (excluding directors who are Audit and Supervisory Committee members)

Outside Director Tomohiro Hirayama

Note: IKK plans to register Mr. Tomohiro Hirayama as an independent office as stipulated under the Tokyo Stock Exchange rules.

- Candidate for directors (directors who are Audit and Supervisory Committee members)

Director (Audit and Supervisory Committee member) Keisuke Abe

(3) Effective date

January 30, 2024

(4) Profile of newly appointed director

Name: Tomohiro Hirayama

Date of birth: January 4, 1985

Brief career history:

April 2008 Joined Hakuodo DY Media Partners Inc.

August 2017 Director, CTO of RoomClip Inc.

February 2021 Executive Officer, CTO of RoomClip Inc. (to present)

(5) Profile of newly appointed director who is an Audit and Supervisory Committee member

Name: Keisuke Abe

Date of birth: May 12, 1963

Brief career history:

July 2003 Deputy Manager of Iizuka Branch, The Bank of Fukuoka, Ltd.

April 2013 Manager of Sangamori Branch, The Bank of Fukuoka, Ltd.

January 2017 Manager of Kitakyushu Branch, Insurance Division, Fukuoka Shoji Co., Ltd.

August 2021 Chief Assistant, Audit Department, The Bank of Fukuoka, Ltd. (to present)