

Translation

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## Summary of Consolidated Financial Results for the Three Months Ended December 31, 2021 (Based on Japanese GAAP)

February 7, 2022

Company name: PCI Holdings, Inc.  
 Stock exchange listing: Tokyo  
 Stock code: 3918 URL <https://www.pci-h.co.jp/>  
 Representative: Representative Director and Chairman Toyomi Amano  
 Director and General Manager of Corporate Planning Headquarters Naohiro Iguchi TEL 03-6858-0530  
 Inquiries: Naohiro Iguchi  
 Scheduled date to file Quarterly Securities Report: February 14, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for analysts and institutional investors)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended December 31, 2021 (from October 1, 2021 to December 31, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended December 31, 2021	5,877	54.8	230	–	253	502.3	215	–
Three months ended December 31, 2020	3,796	(9.4)	16	(88.4)	42	(73.1)	12	(89.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended December 31, 2021	21.47		–	
Three months ended December 31, 2020	1.52		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	17,101	8,107	44.3	754.12
As of September 30, 2021	17,391	7,950	42.8	741.28

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended September 30, 2021	–	15.00	–	16.00	31.00
Year ending September 30, 2022	–				
Year ending September 30, 2022 (Forecast)		15.00	–	16.00	31.00

3. Forecast of consolidated financial results for the year ending September 30, 2022 (from October 1, 2021 to September 30, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending March 31, 2022	12,900	57.2	670	80.0	685	73.4	470	118.9	46.77
Full year	26,500	24.7	1,400	19.2	1,420	17.5	820	22.4	81.61

4. Notes

- (1) Changes in significant subsidiaries during the three months ended December 31, 2021  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2021	10,322,400 shares	As of September 30, 2021	10,322,400 shares
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Number of treasury shares at the end of the period

As of December 31, 2021	274,138 shares	As of September 30, 2021	274,138 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended December 31, 2021	10,048,262 shares	Three months ended December 31, 2020	8,237,381 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of September 30, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	3,310,046	2,966,499
Notes and accounts receivable - trade	4,314,250	–
Notes and accounts receivable - trade, and contract assets	–	4,133,767
Electronically recorded monetary claims - operating	1,771,094	1,811,559
Inventories	1,291,517	1,353,032
Income taxes receivable	–	106,665
Other	511,173	461,521
Total current assets	11,198,082	10,833,046
Non-current assets		
Property, plant and equipment	946,615	957,313
Intangible assets		
Goodwill	2,299,418	2,295,994
Other	194,166	201,294
Total intangible assets	2,493,585	2,497,289
Investments and other assets	2,753,034	2,813,655
Total non-current assets	6,193,235	6,268,257
Total assets	17,391,318	17,101,304
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	1,731,228	1,655,183
Electronically recorded obligations - operating	1,056,150	1,200,925
Current portion of long-term borrowings	868,223	868,223
Accounts payable - other	567,138	594,455
Income taxes payable	299,742	–
Provision for bonuses	551,903	151,888
Provision for bonuses for directors (and other officers)	30,795	4,287
Provision for loss on order received	–	90
Asset retirement obligations	19,256	10,157
Other	1,381,012	1,772,321
Total current liabilities	6,505,451	6,257,533
Non-current liabilities		
Long-term borrowings	1,925,111	1,708,277
Provision for retirement benefits for directors (and other officers)	44,214	34,755
Retirement benefit liability	135,208	170,212
Asset retirement obligations	440,159	440,738
Other	391,000	382,220
Total non-current liabilities	2,935,694	2,736,203
Total liabilities	9,441,145	8,993,737

(Thousands of yen)

	As of September 30, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	2,091,897	2,091,897
Capital surplus	3,629,354	3,677,593
Retained earnings	2,048,153	2,111,764
Treasury shares	(356,470)	(356,470)
Total shareholders' equity	7,412,935	7,524,785
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(7,893)	25,398
Remeasurements of defined benefit plans	43,489	27,414
Total accumulated other comprehensive income	35,595	52,813
Share acquisition rights	27,859	32,714
Non-controlling interests	473,783	497,254
Total net assets	7,950,172	8,107,566
Total liabilities and net assets	17,391,318	17,101,304

## Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended December 31, 2020	Three months ended December 31, 2021
Net sales	3,796,501	5,877,132
Cost of sales	2,870,452	4,404,122
Gross profit	926,049	1,473,009
Selling, general and administrative expenses	909,227	1,242,334
Operating profit	16,821	230,675
Non-operating income		
Interest and dividend income	11,066	17,949
Subsidy income	18,120	1,831
Surrender value of insurance policies	–	10,543
Other	906	3,041
Total non-operating income	30,093	33,366
Non-operating expenses		
Interest expenses	3,705	2,658
Commission expenses	281	375
Foreign exchange losses	753	6,580
Other	21	541
Total non-operating expenses	4,763	10,155
Ordinary profit	42,151	253,885
Extraordinary income		
Gain on cancellation of leases	633	–
Total extraordinary income	633	–
Extraordinary losses		
Loss on redemption of investment securities	–	1,520
Other	–	808
Total extraordinary losses	–	2,329
Profit before income taxes	42,784	251,556
Income taxes - current	5,338	2,995
Income taxes - deferred	22,660	(80,267)
Total income taxes	27,999	(77,271)
Profit	14,785	328,828
Profit attributable to non-controlling interests	2,279	113,102
Profit attributable to owners of parent	12,505	215,725

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended December 31, 2020	Three months ended December 31, 2021
Profit	14,785	328,828
Other comprehensive income		
Valuation difference on available-for-sale securities	10,885	33,292
Remeasurements of defined benefit plans, net of tax	–	(16,074)
Total other comprehensive income	10,885	17,217
Comprehensive income	25,670	346,046
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,391	232,943
Comprehensive income attributable to non-controlling interests	2,279	113,102