

# Consolidated Financial Results for the Three Months Ended June 30, 2021 [Japanese GAAP]



August 13, 2021

Company name: ESCRIT INC.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2196

URL: <http://www.escrit.jp/>

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Scheduled date of filing quarterly securities report: August 13, 2021

Scheduled date of commencing dividend payments: —

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Three Months Ended June 30, 2021 (April 1, 2021 - June 30, 2021)

### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2021	5,219	493.5	(590)	—	(554)	—	412	—
June 30, 2020	879	(88.7)	(1,585)	—	(1,597)	—	(1,877)	—

(Note) Comprehensive income: Three months ended June 30, 2021: ¥409 million [—%]

Three months ended June 30, 2020: ¥(1,877) million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2021	26.40	19.00
June 30, 2020	(160.37)	—

(Note) Although potential dilutive shares existed, diluted earnings per share for the three months ended June 30, 2020 are not stated herein because a net loss per share was recorded.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2021	24,833	5,990	24.1
As of March 31, 2021	26,142	5,565	21.3

(Reference) Equity: As of June 30, 2021: ¥5,988 million

As of March 31, 2021: ¥5,562 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2022	—				
Fiscal year ending March 31, 2022 (Forecast)		0.00	—	0.00	0.00

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022 (April 1, 2021 - March 31, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	26,836	107.4	630	—	467	—	300	—	22.21

(Note) Revision to the financial results forecast announced most recently: None

#### \* Notes:

- (1) Changes in significant subsidiaries during the period under review: Yes  
 (Changes in specified subsidiaries resulting in changes in scope of consolidation):  
 Newly included: —, Excluded: One (1) (ESCRIT Management Partners KK)  
 (Note) On April 1, 2021, the Company conducted an absorption-type merger, in which the Company was the surviving company while ESCRIT Management Partners KK was the absorbed company.
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: Yes
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (4) Total number of issued and outstanding shares (common shares)
  - 1) Total number of issued and outstanding shares at the end of the period (including treasury shares):
 

June 30, 2021:	13,786,500 shares
March 31, 2021:	13,786,500 shares
  - 2) Total number of treasury shares at the end of the period:
 

June 30, 2021:	277,932 shares
March 31, 2021:	277,932 shares
  - 3) Average number of shares during the period:
 

Three months ended June 30, 2021:	13,508,568 shares
Three months ended June 30, 2020:	11,708,568 shares

\* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

(Notes on forward-looking statements)

Earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and do not represent a commitment from the Company that they will be achieved. Actual results may differ significantly from the forecasts due to various factors.

(Access to supplementary explanatory materials on financial results)

Supplementary explanatory materials on financial results were posted on the Company's website on August 13, 2021.

**Dividends Payable for Class Shares**

The breakdown of dividend per share for the class shares with different rights from those of the Company's common share is as follows:

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Class A shares	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2021	—	—	—	—	—
Fiscal year ending March 31, 2022	—				
Fiscal year ending March 31, 2022 (Forecast)		37,500.00	—	37,500.00	75,000.00

(Note) Class A shares hereinabove were issued on March 31, 2021.

2. Quarterly Consolidated Financial Statements and Principal Notes  
(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2021	As of June 30, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	6,723,607	3,960,896
Notes and accounts receivable - trade	135,353	–
Notes and accounts receivable - trade, and contract assets	–	761,989
Accounts receivable from completed construction contracts	724,319	269,950
Real estate for sale	420,645	382,975
Merchandise and finished goods	269,122	275,818
Raw materials and supplies	62,267	62,334
Costs on construction contracts in progress	57,958	439,130
Other	962,038	1,226,846
Allowance for doubtful accounts	(38,829)	(38,999)
Total current assets	9,316,483	7,340,943
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,186,774	6,959,625
Other	1,931,312	1,839,823
Total property, plant and equipment	9,118,087	8,799,448
Intangible assets	79,451	75,760
Investments and other assets		
Leasehold and guarantee deposits	3,639,927	3,640,841
Deferred tax assets	3,673,003	4,657,769
Other	344,847	348,197
Allowance for doubtful accounts	(28,999)	(29,827)
Total investments and other assets	7,628,780	8,616,980
Total non-current assets	16,826,319	17,492,190
Total assets	26,142,802	24,833,134

(Thousand yen)

	As of March 31, 2021	As of June 30, 2021
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	803,846	740,553
Short-term borrowings	3,143,500	3,156,000
Current portion of long-term borrowings	2,039,344	1,993,908
Accounts payable - other	850,523	560,363
Advances received	2,865,079	22,565
Contract liabilities	–	2,737,988
Income taxes payable	8,844	2,081
Other	2,343,659	1,665,232
<b>Total current liabilities</b>	<b>12,054,799</b>	<b>10,878,694</b>
Non-current liabilities		
Bonds payable	270,000	270,000
Long-term borrowings	5,119,692	4,583,660
Asset retirement obligations	2,562,926	2,563,836
Other	570,366	546,109
<b>Total non-current liabilities</b>	<b>8,522,984</b>	<b>7,963,606</b>
<b>Total liabilities</b>	<b>20,577,784</b>	<b>18,842,301</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	4,725,678	4,725,678
Retained earnings	989,502	1,418,927
Treasury shares	(192,485)	(192,485)
<b>Total shareholders' equity</b>	<b>5,572,695</b>	<b>6,002,120</b>
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,584	419
Foreign currency translation adjustment	(12,876)	(14,303)
<b>Total accumulated other comprehensive income</b>	<b>(10,291)</b>	<b>(13,883)</b>
Share acquisition rights	2,614	2,596
<b>Total net assets</b>	<b>5,565,018</b>	<b>5,990,833</b>
<b>Total liabilities and net assets</b>	<b>26,142,802</b>	<b>24,833,134</b>

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2020 (From April 1, 2020 to June 30, 2020)	For the three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)
Net sales	879,290	5,219,008
Cost of sales	731,436	2,554,969
Gross profit	147,854	2,664,039
Selling, general and administrative expenses	1,733,613	3,254,600
Operating profit (loss)	(1,585,759)	(590,561)
Non-operating income		
Outsourcing service income	4,264	4,264
Subsidies for employment adjustment	–	101,914
Other	3,925	25,666
Total non-operating income	8,189	131,844
Non-operating expenses		
Interest expenses	16,355	19,663
Commission expenses for financial services	1,243	68,551
Other	2,270	8,042
Total non-operating expenses	19,869	96,258
Ordinary profit (loss)	(1,597,439)	(554,975)
Extraordinary income		
Gain on reversal of share acquisition rights	–	18
Subsidies for employment adjustment	581,572	–
Total extraordinary income	581,572	18
Extraordinary losses		
Loss related to COVID-19	1,647,468	–
Total extraordinary losses	1,647,468	–
Profit (loss) before income taxes	(2,663,334)	(554,957)
Income taxes - current	12,074	25,161
Income taxes - deferred	(797,660)	(992,852)
Total income taxes	(785,586)	(967,690)
Profit (loss)	(1,877,748)	412,733
Profit (loss) attributable to owners of parent	(1,877,748)	412,733

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2020 (From April 1, 2020 to June 30, 2020)	For the three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)
Profit (loss)	(1,877,748)	412,733
Other comprehensive income		
Valuation difference on available-for-sale securities	1,937	(2,165)
Foreign currency translation adjustment	(1,216)	(1,427)
Total other comprehensive income	720	(3,592)
Comprehensive income	(1,877,027)	409,140
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,877,027)	409,140