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February 10, 2022

## (Delayed) Consolidated Financial Results for the Nine Months Ended December 31, 2021 (Japanese GAAP)

Company name: e-Seikatsu Co., Ltd.	Listing: Second Section, Tokyo Stock Exchange
Securities code: 3796	URL: <a href="https://www.e-seikatsu.info/">https://www.e-seikatsu.info/</a>
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Scheduled date to file quarterly securities report:	February 14, 2022
Scheduled date to commence dividend payments:	-
Preparation of supplementary explanatory materials on quarterly financial results:	Yes
Holding of quarterly financial results briefing:	Yes For institutional investors and analysts

(Yen amounts are rounded down to the nearest millions)

### 1. Consolidated financial results for the Nine months ended December 31, 2021 (April 1, 2021 to December 31, 2021)

#### (1) Consolidated Operating Results (cumulative)

(Percentage indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2021	1,791	9.5	418	9.5	92	80.7	93	81.4	55	94.4
Nine months ended December 31, 2020	1,635	4.1	381	△4.4	51	△32.9	51	△33.6	28	△33.3

Note: Comprehensive Income For the Nine months ended December 31, 2021 55Millions of yen (94.4%)

For the Nine months ended December 31, 2020 28Millions of yen (△33.3%)

Note: EBITDA (operating profit+ depreciation expenses) is disclosed as a useful comparative indicator for our group's performance.

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	8.11	-
Nine months ended December 31, 2020	4.17	-

Note: Accounting Standard for Recognition of Revenue (Accounting Standard No. 29, March 31, 2020) has been applied since the beginning of the first quarter of the consolidated accounting period. The adoption of this standard has no impact on the Group's operating results.

Note: Diluted earnings per share is not stated since there are no dilutive shares.

## (2) Consolidated Financial Position

	Total assets	Net Assets	Equity-to-asset ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	2,057	1,660	80.7	240.60
As of March 31, 2021	1,973	1,638	83.0	237.49

Reference: Equity As of December 31, 2021 1,660 Millions of yen  
As of March 31, 2021 1,638 Millions of yen

Note: Accounting Standard for Recognition of Revenue (Accounting Standard No. 29, March 31, 2020) has been applied since the beginning of the first quarter of the consolidated accounting period. The adoption of this standard has no impact on the Group's operating results.

## 2.Cash dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2021	-	0.00	-	5.00	5.00
Fiscal Year Ended March 31, 2022	-	0.00	-		
Forecast for Fiscal Year Ended March 31, 2022				5.00	5.00

Note: Revisions to the forecast of cash dividends most recently announced: None.

## 3.Consolidated Earnings Forecasts for the Fiscal Year Ended March 31, 2022 (April 1, 2021 to March 31, 2022)

(Percentage indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share attributable to owners of the parent
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,398	8.3	101	45.9	100	41.3	68	238.3	9.96

Note: Revisions to the consolidated earnings forecasts most recently announced: None.

## Notes

(1) Changes in significant subsidiaries during the cumulative period of the current quarter (changes in specified subsidiaries due to changes in the scope of consolidation): None

(2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements of accounting estimates.

1) Changes in accounting policies due to changes in accounting standards, etc.: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Modification and reappearance: None

(Note) For details, please refer to Appendix P.15 "2. Quarterly Performed Financial Statements and Major Notes (4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)."

(4) Number of Shares Issued (Common shares)

1) Number of shares outstanding at the end of the fiscal year (including treasury shares)

As of December 31,2021	7,280,700 Shares	As of March 31,2021	7,280,700 Shares
As of December 31,2021	379,299 Shares	As of March 31,2021	379,299 Shares
Nine months ended December 31,2021	6,901,401 Shares	Nine months ended December 31,2021	6,901,401 Shares

2) Number of treasury stock at end of period

3) Average number of shares outstanding during the period

\*Quarterly Financial Results are not subject to Quarterly Review by Certified Public Accountants or Auditing Corporations.

\*Explanation of appropriate use of earnings forecasts and other special notes

Supplementary explanatory materials for quarterly financial results will be disclosed by TDnet on February 10, 2022, and will be posted on our website on the same day.

## Table of Contents of Attachments

1. Qualitative information on current quarterly financial results	5
(1) an explanation of the results of operations	5
(2) explanation of the financial position	7
(3) Explanation of forward-looking information such as consolidated financial forecasts	8
2. Quarterly Consolidated Financial Statements and Major Notes	9
(1) Quarterly Consolidated Balance Sheets	9
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income	11
Quarterly consolidated statements of income	
Consolidated Year-to-Date	11
Quarterly Consolidated Statement of Comprehensive Income	
Consolidated Year-to-Date	12
(3) Quarterly Consolidated Statement of Cash Flows	13
(4) Notes to Quarterly Consolidated Financial Statements	14
Notes on Assumptions of Continuing Enterprises	14
Notes in Cases of Significant Changes in the Amount of Shareholders' Equity	14
Changes in Significant Subsidiaries during the Year to Date of Consolidation	14
Application of Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements	14
Change in Accounting Policy	14
Additional Information	15

## 1. Qualitative information on current quarterly financial results

### (1) an explanation of the results of operations

For the cumulative period from April 1, 2021 to December 31, 2021, net sales were 1,791,217 thousand yen (up 9.5% from the same period a year earlier), EBITDA (operating income + depreciation expenses) was 418,169 thousand yen (up 9.5% from the same period a year earlier), operating income was 92,498 thousand yen (up 80.7% from the same period a year earlier), ordinary income was 93,352 thousand yen (up 81.4% from the same period a year earlier), and net income attributable to the shareholders of the parent company was 55,973 thousand yen (up 94.4% from the same period a year earlier).

Since the beginning of the first quarter of the consolidated accounting period, the Accounting Standard for Recognition of Revenue (Accounting Standard No. 29, March 31, 2020) has been applied. However, the adoption of the Accounting Standard does not have an impact on the Group's financial position, operating results, or cash flow status.

Summary of Consolidated Results	Nine months ended December 31, 2020	Nine months ended December 31, 2021	Year-on-year period	
	(thousand yen)	(thousand yen)	Difference (thousand yen)	Rate of change (%)
Net sales	1,635,509	1,791,217	155,708	9.5
EBITDA	381,775	418,169	36,394	9.5
Operating profit	51,199	92,498	41,299	80.7
Ordinary profit	51,465	93,352	41,886	81.4
Profit attributable to owners of parent	28,793	55,973	27,180	94.4

With the vision of becoming an information infrastructure indispensable to the real estate market in order to realize our mission of making the real estate market better through IT, the Group is developing systems and applications that resolve various issues in the real estate business and the real estate market, and providing them as subscription-based cloud and SaaS that pay fees according to the usage period. By doing so, we are developing businesses that support digital transformation (DX) in the real estate business and the real estate market.

In the cumulative third quarter of the fiscal year under review, we continued to focus on marketing and sales activities such as the "ES-e-Bukken One" series, our core service, and the monthly subscription fees for cloud and SaaS increased steadily due to the acquisition of new customers and the upsell/cross-sell to existing customers. The churn rate also remained low. As a result, net sales increased 9.5% year on year to 1,791,217 thousand yen an increase of 155,708 thousand yen from the same period a year earlier.

As of the end of December, the number of subscription customers was 1,477 (1,433 in the previous year), and the average revenue per user (\*1) was approximately 116,900 yen/corporation (113,400 yen/corporation in the same month of the previous year), and the subscription gross margin (\*2) was approximately 59.5% (approximately 56.3% in the same period of the previous year) in the cumulative period of the third quarter of the current consolidated fiscal year.

(\*1) "the average revenue per user" Current month subscription sales is divided by the number of subscription

customers for the current month, and the figures are rounded down to the nearest 100 yen.

(\*2) "the subscription gross margin" The gross margin for subscription sales only.

The breakdown of net sales is as follows.

Item details	Nine months ended December 31, 2020		Nine months ended December 31, 2021		Year-on-year period	
	Sales (thousands of yen)	Percentage of total	Sales (thousands of yen)	Percentage of total	Difference (thousand yen)	Percentage change (%)
Subscription (Note 1)	1,434,858	87.7	1,532,467	85.6	97,609	6.8
Solution (Note 2)	200,651	12.3	258,749	14.4	58,098	29.0
Total	1,635,509	100.0	1,791,217	100.0	155,708	9.5

(Note 1). Subscription: Revenue earned continuously on a monthly basis unless customers apply for cancellation, including monthly charges for cloud and SaaS service. They are our Monthly Recurring Revenue (MRR).

(Note 2). Solutions: Revenue earned from other services, including fees for initial setting, system installation, and operation support (BPO) for cloud and SaaS service, commissioned development of system, and sale or introduction of other companies' services as an agency.

(Note 3) From the fiscal year ended March 31, 2022, sales are divided into two categories: "Subscription sales" and "Solution sales" for more easy-to-understand disclosure. At the past sales disclosure categories are disclosed in two categories: "Subscription sales" and "Spot sales".

Initial setting fee for SaaS will be "Solution Sales" instead of "Subscription Sales" from the fiscal year ending March 31, 2022. Sales for the previous fiscal year are presented as a category, and reclassified figures are presented in accordance with this policy.

In terms of our service infrastructure for operating cloud and SaaS, the usage fee for IaaS (Infrastructure as a Service) increased compared to the same period a year earlier, while expenses related to in-house data centers, etc., which were used at the end of the previous fiscal year, decreased. As a result, the cost of sales was 733,610 thousand yen (an increase of 3.5% over the same period of the previous year).

Personnel and other expenses related to these activities increased due to the expansion of the marketing sales support system through the aggressive recruitment of new graduates and other employees. In addition, as an investment in the future in preparation for further growth in the number of customers and growth in sales, we have begun revamping our core business systems, such as sales and customer management, and we have increased cloud and SaaS usage fees for this project. As a result, selling, general and administrative expenses increase 10.3% to 965,109 thousand yen.

As a result, EBITDA amounted to 418,169 thousand yen (up 9.5% from the same period of the previous year), an increase of 36,394 thousand yen from the same period of the previous year, and operating profit amounted to 92,498 thousand yen (up 80.7% from the same period of the previous year), an increase of 41,299 thousand yen from the same period of the previous year.

Since the Group's disclosed reporting segment is a single segment of the Cloud Solutions Business, we omit descriptions of segment performance.

## (2) explanation of the financial position

(Analysis of Assets, Liabilities, Net Assets and Cash Flows)

### ① Assets

Total assets at the end of the current consolidated fiscal year amounted to 2,057,333 thousand yen, an increase of 83,421 thousand yen from the end of the previous consolidated fiscal year. The balance of current assets was 729,237 thousand yen, an increase of 103,806 thousand yen from the end of the previous consolidated fiscal year. This was mainly due to an increase in cash and deposits of 126,373 thousand yen.

The balance of fixed assets was 1,328,095 thousand yen, a decrease of 20,384 thousand yen from the end of the previous consolidated fiscal year.

### ② Liabilities

Total liabilities at the end of the current consolidated fiscal year totaled 396,867 thousand yen, an increase of 61,954 thousand yen from the end of the previous consolidated fiscal year.

The balance of current liabilities was 393,909 thousand yen, an increase of 62,779 thousand yen from the end of the previous consolidated fiscal year. The main reason for this increase was an increase of 65,266 thousand yen, including advances received in response to the increase in monthly cloud and SaaS usage fees received in advance from customers.

The balance of long-term liabilities was 2,957 thousand yen, a decrease of 824 thousand yen from the end of the previous consolidated fiscal year.

### ③ Net Assets

The balance of net assets at the end of the current consolidated fiscal year was 1,660,465 thousand yen, an increase of 21,466 thousand yen from the end of the previous consolidated fiscal year. This is attributable to an increase of 55,973 thousand yen due to the recording of net income attributable to the shareholders of the parent company, and a decrease in retained earnings of 34,507 thousand yen due to the implementation of dividends.

### ④ Cash Flow

The balance of cash and cash equivalents as of the end of the first half of the current consolidated fiscal year was 656,113 thousand yen, an increase of 126,373 thousand yen from the end of the previous consolidated fiscal year. Cash flows and their major factors are as follows.

#### (i) cash flows from operating activities

Net cash provided by operating activities increased 475,639 thousand yen (318,957 thousand yen in the same period of the previous year). The main sources of income were depreciation of 325,671 thousand yen, net income before income taxes of 92,265 thousand yen, an increase in advances received of 65,266 thousand yen, and a decrease in trade receivables of 41,324 thousand yen. Major expenditure is a decrease in provision for bonuses of 30,473 thousand yen.

#### (ii) cash flows from investing activities

Net cash used in investing activities decreased 314,884 thousand yen (343,391 thousand yen in the same period of the previous year). Expenditure was mainly attributable to the purchase of intangible fixed assets of 305,427 thousand yen.

#### (iii) cash flows from financing activities

Net cash used in financing activities decreased 34,381 thousand yen (59,298 thousand yen in the same period of the previous year). Expenditure was attributable to Cash dividends paid

amounted to 34,381 thousand yen.

(3) Explanation of forward-looking information such as consolidated financial forecasts

Consolidated earnings forecasts for the fiscal year ending March 31, 2022 remain unchanged from the figures published on May 13, 2021, because the results for the current cumulative second quarter of the fiscal year are generally in line with expectations.

The Group's consolidated business outlook for the fiscal year ending March 31, 2022 is as follows.

Net sales:	2,398 million yen (up 8.3% from the previous year)
Operating profit:	101 million yen (up 45.9% from the previous year)
Ordinary profit:	100 million yen (up 41.3% from the previous year)
Profit attributable to owners of parent:	68 million yen (up 238.3% from the previous year)



## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Assets</b>		
Current assets		
Cash and deposits	529,739	656,113
Notes and accounts receivable - trade	53,723	-
Notes and accounts receivable - trade, and contract assets	-	12,398
Work in process	2,111	11,860
Prepaid expenses	29,742	49,169
Income taxes receivable	12,425	-
Other	1,535	1,586
Allowance for doubtful accounts	△3,846	△1,890
<b>Total current assets</b>	<b>625,431</b>	<b>729,237</b>
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	55,148	55,148
Accumulated depreciation	△39,676	△41,255
Facilities attached to buildings, net	15,471	13,893
Tools, furniture and fixtures	151,888	151,541
Accumulated depreciation	△118,951	△120,138
Tools, furniture and fixtures, net	32,936	31,403
<b>Total property, plant and equipment</b>	<b>48,408</b>	<b>45,296</b>
Intangible assets		
Trademark right	56	-
Software	1,053,691	1,018,270
Software in progress	100,834	128,643
<b>Total intangible assets</b>	<b>1,154,582</b>	<b>1,146,914</b>
Investments and other assets		
Golf club membership	42,000	42,000
Leasehold and guarantee deposits	79,273	77,726
long-term prepaid expenses	-	4,077
Deferred tax assets	24,215	12,081
<b>Total investments and other assets</b>	<b>145,488</b>	<b>135,884</b>
<b>Total non-current assets</b>	<b>1,348,480</b>	<b>1,328,095</b>
<b>Total assets</b>	<b>1,973,911</b>	<b>2,057,333</b>

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
<b>Liabilities</b>		
Current liabilities		
Accounts payable - other	85,894	107,884
Income taxes payable	16,527	20,730
Advances received	128,738	194,004
Deposits received	11,310	18,765
Provision for bonuses	42,374	11,901
Other	46,286	40,624
Total current liabilities	331,130	393,909
Non-current liabilities		
Guarantee Deposited	3,782	2,957
Total non-current liabilities	3,782	2,957
Total liabilities	334,912	396,867
<b>Net assets</b>		
Shareholders' equity		
Share capital	628,411	628,411
Capital surplus	718,179	718,179
Retained earnings	431,008	452,475
Treasury shares	△138,600	△138,600
Total shareholders' equity	1,638,998	1,660,465
Total net assets	1,638,998	1,660,465
Total liabilities and net assets	1,973,911	2,057,333

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income  
 (Quarterly Consolidated Statement of Income)  
 (Consolidated Year-to-Date)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	1,635,509	1,791,217
Cost of sales	708,933	733,610
Gross profit	926,576	1,057,607
Selling, general and administrative expenses	875,377	965,109
Operating profit	51,199	92,498
Non-operating income		
Interest income	6	4
Commission income	443	1,091
Gain on forfeiture of unclaimed dividends	346	221
Total non-operating income	795	1,316
Non-operating expenses		
Interest expenses	77	11
Commission expenses	452	452
Total non-operating expenses	529	463
Ordinary profit	51,465	93,352
Extraordinary losses		
Loss on retirement of non-current assets	-	1,086
Total extraordinary losses	-	1,086
Profit before income taxes	51,465	92,265
Income taxes - current	17,351	24,157
Income taxes - deferred	5,320	12,134
Total income taxes	22,672	36,292
Profit	28,793	55,973
Profit attributable to owners of parent	28,793	55,973

(Quarterly Consolidated Statement of Comprehensive Income)  
(Consolidated Year-to-Date)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	28,793	55,973
Comprehensive income	28,793	55,973
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	28,793	55,973

### (3) Quarterly Consolidated Statement of Cash Flows

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
<b>Cash flows from operating activities</b>		
Profit before income taxes	51,465	92,265
Depreciation	330,575	325,671
Loss on retirement of non-current assets	-	1,086
Increase (decrease) in allowance for doubtful accounts	△1,037	△1,955
Increase (decrease) in provision for bonuses	△26,864	△30,473
Interest and dividend income	△6	△4
Interest expenses	77	11
Decrease (increase) in trade receivables	30	41,324
Decrease (increase) in inventories	△3,081	△9,722
Increase (decrease) in accounts payable - other	33,029	16,700
Increase (decrease) in advances received	14,408	65,266
Increase (decrease) in accrued consumption taxes	440	△5,908
Increase (decrease) in guarantee deposits received	△418	△824
Other, net	△2,871	△12,953
Subtotal	395,747	480,484
Interest and dividends received	6	4
Interest paid	△77	△11
Income taxes paid	△76,718	△21,617
Income taxes refund	-	16,779
Net cash provided by (used in) operating activities	318,957	475,639
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△16,805	△9,462
Purchase of intangible assets	△326,479	△305,427
Proceeds from refund of leasehold and guarantee deposits	37	93
Payments of leasehold and guarantee deposits	△143	△87
Net cash provided by (used in) investing activities	△343,391	△314,884
<b>Cash flows from financing activities</b>		
Repayments of finance lease obligations	△24,824	-
Dividends paid	△34,473	△34,381
Net cash provided by (used in) financing activities	△59,298	△34,381
Effect of exchange rate change on cash and cash equivalents	-	-
Net increase (decrease) in cash and cash equivalents	△83,731	126,373
Cash and cash equivalents at beginning of period	595,687	529,739
Cash and cash equivalents at end of period	511,955	656,113

#### (4) Notes to Quarterly Consolidated Financial Statements

(Notes on Assumptions of Continuing Enterprises)

There are no applicable items.

(Notes in Cases of Significant Changes in the Amount of Shareholders' Equity)

There are no applicable items.

(Changes in Significant Subsidiaries during the Year to Date of Consolidation)

There are no applicable items.

(Application of Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements)

There are no applicable items.

(Change in Accounting Policy)

(Application of Accounting Standards for Recognition of Revenues, etc.)

Accounting Standard for Recognition of Revenue (Accounting Standard No. 29, March 31, 2020; hereinafter referred to as the "Accounting Standard for Recognition of Revenue") has been applied from the beginning of the first quarter of the consolidated accounting period, and the revenue is recognized at the amount expected to be received in exchange for the relevant goods or services when the control of the promised goods or services has been transferred to the customer.

The application of the Income Recognition Accounting Standards, etc. is subject to the transitional treatment set forth in the proviso of Paragraph 84 of the Income Recognition Accounting Standards, and the cumulative effect of retroactive application of the new accounting policy prior to the beginning of the first consolidated accounting period is adjusted to the retained earnings at the beginning of the first consolidated accounting period, and a new accounting policy is applied from the balance at the beginning of the first consolidated accounting period.

As a result, there was no impact on the consolidated results for the Third quarter. In addition, there is no impact on the balance of retained earnings at the beginning of the fiscal year.

Due to the adoption of revenue recognition accounting standards, notes and accounts receivable presented in the Current Assets in the consolidated balance sheets for the previous consolidated fiscal year are included in "Notes and accounts receivable and contracted assets" from the first quarter of the consolidated fiscal year. In accordance with the transitional treatment stipulated in Paragraph 89-2 of the Accounting Standard for Recognition of Revenue, no reclassification has been made for the previous consolidated fiscal year according to the new method of presentation.

(Application of Accounting Standard for Calculation of Market Value)

Accounting Standards for Current Value Calculation (Business Accounting Standards No. 31, July 4, 2019; hereinafter referred to as "Market Value Calculation Accounting Standards") have been applied from the beginning of the first quarter of the consolidated accounting period, and new accounting policies stipulated by the Accounting Standards for Current Value Calculation, etc. will be applied in the future in accordance with the transitional provisions set forth in Article 19 of the Accounting Standards for Current Value Calculation and Article 44-2 of the Accounting Standards for Financial Instruments (Business Accounting Standards No. 10, July 4, 2019). The adoption of current value accounting standards has no impact on the quarterly consolidated financial statements.

(Additional Information)

We continue to pay close attention to the spread of the new coronavirus infection, and we have made an accounting estimate based on the assumption that the outbreak will not have a material impact on the business performance of our group for the year ended March 31, 2022.