



en Japan Inc.

### 3rd Quarter FY March 2022 Earnings Announcement [Japan GAAP] (Consolidated)

February 10, 2022

Company Name	en Japan Inc.	Listing Exchanges	First Section of the Tokyo Stock Exchange	
Stock Code	4849	URL	https://corp.en-japan.com/	
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Scheduled Date for Submission of Quarterly Report	February 10, 2022			
Scheduled Date to Begin Dividend Payments	-			
Preparation of Quarterly Summary Supplementary Explanatory Materials	Yes			
Quarterly Earnings Briefing	No			

(Figures rounded down to nearest million yen)

#### 1. FY Ending March 2021 Cumulative Third Quarter Operating Results (From April 1, 2021 to December 31, 2021)

(1) Consolidated Operating Results (cumulative) (Percentages indicate percent change from prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 3/22 3rd Qtr	38,904	25.0	7,252	43.8	7,485	45.3	5,037	70.8
FYE 3/21 3rd Qtr	31,116	-25.7	5,044	-38.5	5,150	-37.0	2,948	-46.2

(Note) Comprehensive income FYE 3/22 3rd Qtr 5,567 million yen (96.8%) FYE 3/21 3rd Qtr 2,828 million yen (-45.7%)

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 3/22 3rd Qtr	112.29	112.08
FYE 3/21 3rd Qtr	65.83	65.65

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio
	Million yen	Million yen	%
FYE 3/22 3rd Qtr	52,304	39,480	74.4
FYE 3/21	46,644	36,856	77.8

(Reference) Core capital FYE 3/22 3rd Qtr 38,933 million yen FYE 3/21 36,311 million yen

#### 2. Dividends

	Dividends per Share				
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Year-end	Full Year
	Yen	Yen	Yen	Yen	Yen
FYE 3/21	-	0.00	-	37.10	37.10
FYE 3/22	-	0.00	-		
FYE 3/22 (projected)				72.50	72.50

(Note) Revisions to the Company's latest dividend forecast: None

### 3. FY Ending March 2022 Projected Consolidated Operating Results (April 1, 2021 - March 31, 2022)

(Percentages indicate percentage change from prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	51,000	19.4	10,000	28.7	9,999	25.9	6,842	95.4	152.77

(Note) Revisions to the Company's latest operating results projections: None

#### \* Notes

- (1) Changes in material subsidiaries during the cumulative quarter under review (Change in specific subsidiaries that will accompany a change in scope of consolidation) No  
 Newly included                      None                                      (Name of company) –  
 Exclusion      None                      (Name of company) –
- (2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements Yes
- (3) Changes in accounting policy, changes in accounting estimates, or restatement due to correction
  - a. Changes in accounting policy accompanying amendment of accounting principles: Yes
  - b. Changes in accounting policy other than "a." No
  - c. Changes in accounting estimates: No
  - d. Restatement due to correction: No
- (4) Number of shares issued (common share)
  - a. Number of shares issued at the end of the period (including treasury shares)  
 FYE 3/22 3rd Qtr 49,716,000 shares      FYE 3/21                      49,716,000 shares
  - b. Number of shares of treasury shares at the end of the period  
 FYE 3/22 3rd Qtr 4,810,777 shares      FYE 3/21                      4,923,672 shares
  - c. Average number of shares issued during the period (quarter year-to-date)  
 FYE 3/22 3rd Qtr 44,861,604 shares      FYE 3/21 3rd Qtr 44,793,205 shares

\* The quarterly earnings announcement is not within the scope of the quarterly review procedure by a certified public accountant or an audit corporation.

\* Explanation regarding appropriate use of operating results projections, other special notes

#### (Points to note on future descriptions)

- Forward-looking statements including projected operating results contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed as rational, and are not intended to guarantee achievements by the Company. Actual results may differ significantly from such projections due to various factors.

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\*The Company plans to post supplementary materials to explain financial results on its website today.

Please refer to the URL below.

<https://corp.en-japan.com/IR/>

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

(Unit: Million yen)

	Previous Fiscal Year (As of March 31, 2021)	Third Quarter of Current Fiscal Year (As of December 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	26,374	29,994
Notes and accounts receivable - trade	4,347	5,030
Securities	2,031	2,000
Other	1,079	857
Allowance for doubtful accounts	-108	-90
Total current assets	33,724	37,792
Non-current assets		
Property, plant and equipment	621	600
Intangible assets		
Goodwill	2,840	2,674
Other	4,158	4,363
Total intangible assets	6,999	7,038
Investments and other assets		
Investment securities	2,285	2,620
Shares of subsidiaries and associates	132	697
Other	3,239	3,914
Allowance for doubtful accounts	-359	-360
Total investments and other assets	5,299	6,872
Total non-current assets	12,920	14,511
Total assets	46,644	52,304
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	434	846
Income taxes payable	955	1,343
Provision for bonuses	1,122	678
Provision for directors' bonuses	2	-
Advances received	2,307	3,784
Other	3,438	4,529
Total current liabilities	8,260	11,182
Non-current liabilities		
Provision for share benefits	389	424
Asset retirement obligations	203	249
Other	934	966
Total non-current liabilities	1,527	1,640
Total liabilities	9,788	12,823
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,194	1,194
Capital surplus	998	908
Retained earnings	39,399	41,557
Treasury shares	-5,228	-5,086
Total shareholders' equity	36,365	38,573
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	113	178
Foreign currency translation adjustment	-167	180
Total accumulated other comprehensive income	-53	359
Subscription rights to shares	136	131
Non-controlling interests	408	416
Total net assets	36,856	39,480
Total liabilities and net assets	46,644	52,304

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

Cumulative Third Quarter

(Unit: Million yen)

	Cumulative Third Quarter of the Previous Fiscal Year (From April 1, 2020 to December 31, 2020)	Cumulative Third Quarter of the Current Fiscal Year (From April 1, 2021 to December 31, 2021)
Net sales	31,116	38,904
Cost of sales	6,402	8,033
Gross profit	24,714	30,870
Selling, general and administrative expenses	19,669	23,618
Operating income	5,044	7,252
Non-operating income		
Interest income	73	90
Dividend income	10	27
Foreign exchange gains	—	21
Reversal of allowance for doubtful accounts	—	0
Subsidy for employment adjustment	50	—
Gain on investments in partnership	—	86
Other	47	26
Total non-operating income	181	252
Non-operating expenses		
Interest expenses	0	1
Loss on investments in partnership	16	—
Foreign exchange losses	38	—
Provision of allowance for doubtful accounts	7	—
Other	11	19
Total non-operating expenses	75	20
Ordinary income	5,150	7,485
Extraordinary income		
Gain on sales of non-current assets	1	0
Gain on sales of investment securities	—	33
Gain on sales of shares of subsidiaries and associates	19	—
Total extraordinary income	21	33
Extraordinary losses		
Loss on sales of non-current assets	—	0
Impairment loss	459	—
Loss on retirement of non-current assets	40	15
Loss on sales of investment securities	—	3
Loss on valuation of investment securities	204	—
Loss on valuation of shares of subsidiaries and associates	10	—
Loss on sales of shares of subsidiaries and associates	15	—
Total extraordinary losses	730	18
Profit before income taxes	4,441	7,500
Income taxes-current	1,457	2,377
Total income taxes	1,457	2,377
Profit	2,984	5,122
Profit attributable to non-controlling interests	35	85
Profit attributable to owners of parent	2,948	5,037

Quarterly Consolidated Statements of Comprehensive Income

Cumulative Third Quarter

(Unit: Million yen)

	Cumulative Third Quarter of the Previous Fiscal Year (From April 1, 2020 to December 31, 2020)	Cumulative Third Quarter of the Current Fiscal Year (From April 1, 2021 to December 31, 2021)
Profit	2,984	5,122
Other comprehensive income		
Valuation difference on available-for-sale securities	45	65
Foreign currency translation adjustment	-201	379
Total other comprehensive income	-156	444
Comprehensive income	2,828	5,567
(Break down)		
Comprehensive income attributable to owners of parent	2,796	5,450
Comprehensive income attributable to non-controlling interests	32	116

### (3) Notes regarding Quarterly Consolidated Financial Statements

(Notes relating to the Going Concern Assumption)

There are no pertinent items.

(Changes in Accounting Policy)

Cumulative Third Quarter of the fiscal year under review (From April 1, 2021 to December 31, 2021)
<p>(Changes in Accounting Policy)</p> <p>The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter referred to as "Accounting Standard for Revenue Recognition"), etc., effective from the beginning of the first quarter of the fiscal year ending March 2022. Accordingly, when control of the promised goods or services is transferred to the customer, revenue is recognized in the amount expected to be received in exchange for the goods or services. As a result, the Company has changed to the method of recognizing revenue as it meets its obligations over a certain period of time, instead of recognizing revenue as a one-time gain on the total amount of consideration received from customers in the business of advertising job openings by the Company Group. In the past, revenue was recognized on a net basis for transactions, such as advertising job openings through agencies, but the method has been changed to recognize revenue on a gross basis in the case that the Company Group falls under the category of principals.</p> <p>Application of the Accounting Standard for Revenue Recognition, etc. is subject to transitional treatment provided for in the proviso of Paragraph 84 of the Accounting Standard for Revenue Recognition. The cumulative effect of retroactive application, assuming the new accounting policy had been applied to periods prior to the beginning of the first quarter of the fiscal year ending March 2022, was added to or subtracted from the beginning balance of retained earnings in the first quarter of the fiscal year ending March 2022, and the new accounting policy is applied from the balance at the beginning of the fiscal year under review.</p> <p>As a result, net sales for the cumulative third quarter of the fiscal year ending March 2022 increased by ¥1,614 million, selling, general and administrative expenses increased by ¥1,795 million, and operating income, ordinary income and profit before income taxes decreased by ¥181 million, respectively. The balance of retained earnings at the beginning of the fiscal year under review decreased by ¥1,098 million.</p> <p>In addition, in accordance with the transitional treatment prescribed in Paragraph 28-15 of the "Accounting Standard for Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020), information is not presented on disaggregation of revenue that arises from contracts with customers pertaining to the cumulative third quarter of the previous fiscal year.</p>

Cumulative Third Quarter of the fiscal year under review (From April 1, 2021 to December 31, 2021)
<p>(Changes in Accounting Policy)</p> <p>The Company has applied the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter referred to as "Accounting Standard for Fair Value Measurement"), etc., effective from the beginning of the first quarter of the fiscal year ending March 2022. In accordance with the transitional treatment prescribed in Paragraph 19 of the Accounting Standard for Fair Value Measurement and Paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019), the Company will apply the new accounting policy, prescribed in the Accounting Standard for Fair Value Measurement, etc., prospectively. There is no impact on the quarterly consolidated financial statements.</p>

(Adoption of Special Accounting Treatment Used in Preparation of the Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

The Company calculates tax expenses by rationally estimating the effective tax rate after applying tax effect accounting on profit before income taxes on a consolidated basis for the fiscal year including the cumulative third quarter of the period. It then multiplies the estimated effective tax rate by profit before income taxes for the quarter.

Note, however, that if calculating tax expenses using the estimated effective tax rate produces a result which significantly lacks reasonableness, the statutory tax rate is adopted.

(Notes on Significant Changes to Shareholders' Equity)

The Company performed a stock swap with the Company serving as the stock swap wholly owning parent company and OWLS, INC. serving as the stock swap wholly owned subsidiary, effective June 30, 2021, and as compensation for the stock swap, the Company disposed of its treasury shares. As a result, capital surplus and treasury shares decreased by ¥97 million and ¥109 million respectively at the end of the third quarter of the fiscal year under review.

(Segment Information)

[Segment Information]

I. Cumulative third quarter of the previous fiscal year (April 1, 2020 to December 31, 2020)

Description is omitted since en Japan group is formed under a single segment.

II. Cumulative third quarter of the fiscal year under review (from April 1, 2021 to December 31, 2021)

Description is omitted since en Japan group is formed under a single segment.