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Summary of Consolidated Financial Results for the Year Ended February 28, 2022 (Based on Japanese GAAP)

April 15, 2022

Company name: Escrow Agent Japan, Inc.
 Stock exchange listing: Tokyo
 Stock code: 6093 URL <https://www.ea-j.jp/>
 Representative: Representative Director, President and Chief Executive Officer Shoichiro Narimiya
 Inquiries: Director and Executive Officer Masakage Ota TEL 03-6703-0500
 Scheduled date of ordinary general meeting of shareholders: May 26, 2022
 Scheduled date to file Securities Report: May 27, 2022
 Scheduled date to commence dividend payments: May 27, 2022
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended February 28, 2022 (from March 1, 2021 to February 28, 2022)

(1) Consolidated operating results

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	%
Year ended February 28, 2022	3,552	15.6	614	24.8	619	12.7	406	11.8
Year ended February 28, 2021	3,072	(4.1)	492	13.4	549	24.1	363	26.8

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended February 28, 2022	9.37	–	12.4	15.6	17.3
Year ended February 28, 2021	8.52	8.49	12.5	15.4	16.0

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of February 28, 2022	4,093	3,379	82.5	77.83
As of February 28, 2021	3,820	3,155	82.6	72.80

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended February 28, 2022	408	(185)	(182)	2,666
Year ended February 28, 2021	414	110	69	2,626

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended February 28, 2021	–	0.00	–	4.00	4.00	173	46.9	6.0
Year ended February 28, 2022	–	0.00	–	4.00	4.00	173	42.7	5.3
Year ending February 28, 2023 (Forecast)	–	0.00	–	4.00	4.00		43.3	

3. Forecast of consolidated financial results for the year ending February 28, 2023 (from March 1, 2022 to February 28, 2023)

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 August 31, 2022	1,714	14.6	178	(21.7)	179	(22.8)	122	(19.9)	2.82
Full year	3,904	9.9	555	(9.6)	596	(3.6)	401	(1.3)	9.24

4. Notes

(1) Changes in significant subsidiaries during the year ended February 28, 2022

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

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

As of February 28, 2022	45,718,369 shares	As of February 28, 2021	45,630,483 shares
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Number of treasury shares at the end of the period

As of February 28, 2022	2,296,935 shares	As of February 28, 2021	2,293,335 shares
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Average number of shares during the period

Year ended February 28, 2022	43,385,605 shares	Year ended February 28, 2021	42,679,437 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 28, 2021	As of February 28, 2022
Assets		
Current assets		
Cash and deposits	2,826,581	2,766,884
Accounts receivable - trade	395,439	532,032
Other	84,352	80,156
Allowance for doubtful accounts	(1,673)	(5,121)
Total current assets	3,304,699	3,373,952
Non-current assets		
Property, plant and equipment		
Buildings	93,921	99,344
Leased assets	30,063	33,737
Other	70,692	84,925
Accumulated depreciation	(109,951)	(124,691)
Total property, plant and equipment	84,725	93,315
Intangible assets		
Software	110,926	242,739
Software in progress	31,784	–
Other	7,213	2,194
Total intangible assets	149,925	244,933
Investments and other assets		
Investment securities	123,796	83,895
Guarantee deposits	129,029	136,979
Long-term time deposits	–	100,000
Deferred tax assets	21,862	54,015
Other	6,599	6,724
Total investments and other assets	281,288	381,614
Total non-current assets	515,939	719,863
Total assets	3,820,638	4,093,815

(Thousands of yen)

	As of February 28, 2021	As of February 28, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	95,136	95,251
Income taxes payable	138,226	133,075
Provision for bonuses	49,998	74,411
Other	251,877	276,526
Total current liabilities	535,239	579,264
Non-current liabilities		
Asset retirement obligations	34,665	37,457
Retirement benefit liability	36,046	–
Long-term accounts payable - other	–	35,556
Other	59,677	62,247
Total non-current liabilities	130,388	135,262
Total liabilities	665,627	714,527
Net assets		
Shareholders' equity		
Share capital	647,065	654,377
Capital surplus	761,905	769,217
Retained earnings	2,267,736	2,501,001
Treasury shares	(548,271)	(548,271)
Total shareholders' equity	3,128,436	3,376,326
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	26,574	2,962
Total accumulated other comprehensive income	26,574	2,962
Total net assets	3,155,011	3,379,288
Total liabilities and net assets	3,820,638	4,093,815

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Net sales	3,072,866	3,552,931
Cost of sales	1,631,753	1,882,825
Gross profit	1,441,113	1,670,106
Selling, general and administrative expenses	948,680	1,055,755
Operating profit	492,432	614,350
Non-operating income		
Interest income	40	32
Rental income	16,200	15,740
Gain on investments in investment partnerships	50,398	–
Other	8,377	4,391
Total non-operating income	75,016	20,164
Non-operating expenses		
Interest expenses	143	93
Rental expenses	13,066	13,750
Share issuance costs	1,818	–
Other	2,732	1,444
Total non-operating expenses	17,761	15,289
Ordinary profit	549,687	619,225
Extraordinary income		
Gain on reversal of share acquisition rights	238	–
Total extraordinary income	238	–
Profit before income taxes	549,925	619,225
Income taxes - current	184,801	234,342
Income taxes - deferred	1,373	(21,731)
Total income taxes	186,175	212,610
Profit	363,750	406,614
Profit attributable to owners of parent	363,750	406,614

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Profit	363,750	406,614
Other comprehensive income		
Valuation difference on available-for-sale securities	26,277	(23,612)
Total other comprehensive income	26,277	(23,612)
Comprehensive income	390,028	383,001
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	390,028	383,001
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of changes in equity

Fiscal year ended February 28, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	422,379	537,219	2,048,518	(353,589)	2,654,528
Changes during period					
Issuance of new shares	224,686	224,686			449,372
Dividends of surplus			(144,532)		(144,532)
Profit attributable to owners of parent			363,750		363,750
Purchase of treasury shares				(194,682)	(194,682)
Net changes in items other than shareholders' equity					
Total changes during period	224,686	224,686	219,218	(194,682)	473,908
Balance at end of period	647,065	761,905	2,267,736	(548,271)	3,128,436

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	296	296	10,404	2,665,229
Changes during period				
Issuance of new shares				449,372
Dividends of surplus				(144,532)
Profit attributable to owners of parent				363,750
Purchase of treasury shares				(194,682)
Net changes in items other than shareholders' equity	26,277	26,277	(10,404)	15,873
Total changes during period	26,277	26,277	(10,404)	489,781
Balance at end of period	26,574	26,574	–	3,155,011

Fiscal year ended February 28, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	647,065	761,905	2,267,736	(548,271)	3,128,436
Changes during period					
Issuance of new shares	7,312	7,312			14,624
Dividends of surplus			(173,348)		(173,348)
Profit attributable to owners of parent			406,614		406,614
Purchase of treasury shares					
Net changes in items other than shareholders' equity					
Total changes during period	7,312	7,312	233,265	–	247,890
Balance at end of period	654,377	769,217	2,501,001	(548,271)	3,376,326

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	26,574	26,574	–	3,155,011
Changes during period				
Issuance of new shares				14,624
Dividends of surplus				(173,348)
Profit attributable to owners of parent				406,614
Purchase of treasury shares				
Net changes in items other than shareholders' equity	(23,612)	(23,612)		(23,612)
Total changes during period	(23,612)	(23,612)	–	224,277
Balance at end of period	2,962	2,962	–	3,379,288

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended February 28, 2021	Fiscal year ended February 28, 2022
Cash flows from operating activities		
Profit before income taxes	549,925	619,225
Depreciation	69,983	84,519
Increase (decrease) in allowance for doubtful accounts	(128)	3,447
Increase (decrease) in retirement benefit liability	70	(36,046)
Interest income	(40)	(32)
Interest expenses	143	93
Loss (gain) on investments in investment partnerships	(50,398)	1,323
Share-based payment expenses	8,478	20,981
Decrease (increase) in trade receivables	(23,461)	(136,593)
Decrease (increase) in inventories	26,416	(2,037)
Increase (decrease) in trade payables	(19,423)	114
Decrease (increase) in prepaid expenses	15,839	(16,042)
Decrease (increase) in accounts receivable - other	(4,949)	133
Increase (decrease) in accounts payable - other	(7,533)	92,990
Increase (decrease) in accrued consumption taxes	13,648	(37,327)
Other, net	(16,596)	39,564
Subtotal	561,974	634,314
Interest received	39	32
Interest paid	(143)	(93)
Income taxes paid	(146,918)	(225,495)
Net cash provided by (used in) operating activities	414,951	408,758
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,328)	(18,771)
Purchase of intangible assets	(56,454)	(161,355)
Proceeds from withdrawal of time deposits	2,800	100,000
Payments into time deposits	–	(100,000)
Proceeds from cancellation of deposits in trust	100,000	–
Proceeds from distributions from investment partnerships	64,723	4,600
Proceeds from lease and guarantee deposits received	2,640	–
Other, net	(166)	(10,268)
Net cash provided by (used in) investing activities	110,214	(185,795)
Cash flows from financing activities		
Repayments of lease obligations	(12,948)	(9,366)
Purchase of treasury shares	(194,682)	–
Proceeds from issuance of shares resulting from exercise of share acquisition rights	423,098	–
Dividends paid	(144,486)	(173,219)
Other, net	(1,823)	(75)
Net cash provided by (used in) financing activities	69,156	(182,660)
Net increase (decrease) in cash and cash equivalents	594,322	40,302
Cash and cash equivalents at beginning of period	2,032,259	2,626,581
Cash and cash equivalents at end of period	2,626,581	2,666,884