

Consolidated Financial Results for the Three Months Ended June 30, 2022 [Japanese GAAP]



August 12, 2022

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 12, 2022

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, 2022 (April 1, 2022 - June 30, 2022)

(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, 2022	5,517	5.7	(138)	—	8	—	(45)	—
June 30, 2021	5,219	493.5	(590)	—	(554)	—	412	—

(Note) Comprehensive income: Three months ended June 30, 2022: ¥(61) million [—%]

Three months ended June 30, 2021: ¥409 million [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	(7.51)	—
June 30, 2021	26.40	19.00

(Note) Although potential dilutive shares existed, diluted earnings per share for the three months ended June 30, 2022 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, 2022	23,293	5,866	25.2
As of March 31, 2022	24,584	5,928	24.1

(Reference) Equity: As of June 30, 2022: ¥5,865 million

As of March 31, 2022: ¥5,926 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, 2022	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2023	—				
Fiscal year ending March 31, 2023 (Forecast)		0.00	—	0.00	0.00

(Note) Dividends noted above are on common shares. As for the status of dividends for Class Shares (unlisted) with different rights from those of common shares of the Company, see “(Reference) Dividends Payable for Class Shares” below (available only in Japanese version).

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% 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	25,741	15.7	500	–	500	–	300	(37.2)	5.55

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

* Notes:

- (1) Changes in significant subsidiaries during the period under review: None
- (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: None
 - 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, 2022:	13,786,500 shares
March 31, 2022:	13,786,500 shares
 - 2) Total number of treasury shares at the end of the period:

June 30, 2022:	277,965 shares
March 31, 2022:	277,965 shares
 - 3) Average number of shares during the period:

Three months ended June 30, 2022:	13,508,535 shares
Three months ended June 30, 2021:	13,508,568 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 12, 2022.

2. Quarterly Consolidated Financial Statements
(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	6,124,998	5,381,891
Notes and accounts receivable - trade, and contract assets	274,460	383,025
Accounts receivable from completed construction contracts	429,263	103,319
Real estate for sale	364,610	337,393
Merchandise and finished goods	270,338	281,958
Raw materials and supplies	65,168	57,715
Costs on construction contracts in progress	33,019	121,010
Other	721,404	653,870
Allowance for doubtful accounts	(35,816)	(33,279)
Total current assets	8,247,448	7,286,904
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,338,772	6,102,482
Other	1,404,695	1,337,762
Total property, plant and equipment	7,743,468	7,440,245
Intangible assets	89,638	87,548
Investments and other assets		
Leasehold and guarantee deposits	3,603,901	3,623,463
Deferred tax assets	4,593,154	4,547,184
Other	345,152	346,250
Allowance for doubtful accounts	(38,211)	(37,781)
Total investments and other assets	8,503,997	8,479,116
Total non-current assets	16,337,103	16,006,911
Total assets	24,584,551	23,293,816

(Thousand yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	992,352	592,857
Short-term borrowings	5,041,500	5,004,000
Current portion of long-term borrowings	1,405,298	1,393,514
Accounts payable - other	702,854	634,690
Income taxes payable	31,693	8,940
Contract liabilities	1,606,727	1,296,978
Asset retirement obligations	138,783	115,036
Other	1,868,956	1,137,464
Total current liabilities	11,788,166	10,183,481
Non-current liabilities		
Bonds payable	210,000	210,000
Long-term borrowings	3,714,393	4,099,186
Asset retirement obligations	2,456,648	2,471,024
Other	486,759	463,468
Total non-current liabilities	6,867,801	7,243,679
Total liabilities	18,655,967	17,427,160
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	4,613,178	4,613,178
Retained earnings	1,483,871	1,438,566
Treasury shares	(192,505)	(192,505)
Total shareholders' equity	5,954,544	5,909,239
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	85	(165)
Foreign currency translation adjustment	(28,017)	(43,606)
Total accumulated other comprehensive income	(27,932)	(43,771)
Share acquisition rights	1,971	1,187
Total net assets	5,928,583	5,866,655
Total liabilities and net assets	24,584,551	23,293,816

(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, 2021 (From April 1, 2021 to June 30, 2021)	For the three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)
Net sales	5,219,008	5,517,016
Cost of sales	2,554,969	2,274,457
Gross profit	2,664,039	3,242,558
Selling, general and administrative expenses	3,254,600	3,380,941
Operating profit (loss)	(590,561)	(138,382)
Non-operating income		
Outsourcing service income	4,264	–
Subsidies for employment adjustment	101,914	44,641
Subsidy income	18,174	172,476
Other	7,491	19,699
Total non-operating income	131,844	236,817
Non-operating expenses		
Interest expenses	19,663	18,315
Commission expenses for financial services	68,551	67,464
Other	8,042	3,938
Total non-operating expenses	96,258	89,717
Ordinary profit (loss)	(554,975)	8,718
Extraordinary income		
Gain on reversal of share acquisition rights	18	784
Total extraordinary income	18	784
Profit (loss) before income taxes	(554,957)	9,502
Income taxes - current	25,161	8,785
Income taxes - deferred	(992,852)	46,021
Total income taxes	(967,690)	54,807
Profit (loss)	412,733	(45,304)
Profit (loss) attributable to owners of parent	412,733	(45,304)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2021 (From April 1, 2021 to June 30, 2021)	For the three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)
Profit (loss)	412,733	(45,304)
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,165)	(250)
Foreign currency translation adjustment	(1,427)	(15,588)
Total other comprehensive income	(3,592)	(15,839)
Comprehensive income	409,140	(61,144)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	409,140	(61,144)