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Summary of Consolidated Financial Results for the Six Months Ended August 31, 2022 (Based on Japanese GAAP)

October 7, 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 to file Quarterly Securities Report: October 7, 2022
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended August 31, 2022 (from March 1, 2022 to August 31, 2022)

(1) Consolidated operating results (cumulative)

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	%
Six months ended August 31, 2022	1,629	8.9	207	(9.1)	207	(11.0)	132	(13.2)
Six months ended August 31, 2021	1,496	(5.3)	228	(20.4)	232	(30.8)	152	(31.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended August 31, 2022	3.05		–	
Six months ended August 31, 2021	3.52		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of August 31, 2022	3,954	3,354	84.8	76.84
As of February 28, 2022	4,093	3,379	82.5	77.83

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended February 28, 2022	–	0.00	–	4.00	4.00
Year ending February 28, 2023	–	0.00	–	–	–
Year ending February 28, 2023 (Forecast)	–	–	–	4.00	4.00

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
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 six months ended August 31, 2022
(changes in specified subsidiaries resulting in the change in scope of consolidation): Yes
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of August 31, 2022	45,950,238 shares	As of February 28, 2022	45,718,369 shares
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Number of treasury shares at the end of the period

As of August 31, 2022	2,297,935 shares	As of February 28, 2022	2,296,935 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended August 31, 2022	43,494,508 shares	Six months ended August 31, 2021	43,360,843 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of February 28, 2022	As of August 31, 2022
Assets		
Current assets		
Cash and deposits	2,766,884	2,545,845
Accounts receivable - trade	532,032	572,030
Other	80,156	115,023
Allowance for doubtful accounts	(5,121)	(7,147)
Total current assets	3,373,952	3,225,751
Non-current assets		
Property, plant and equipment	93,315	107,696
Intangible assets	244,933	247,596
Investments and other assets	381,614	372,967
Total non-current assets	719,863	728,261
Total assets	4,093,815	3,954,012
Liabilities		
Current liabilities		
Accounts payable - trade	95,251	101,152
Income taxes payable	133,075	81,833
Provision for bonuses	74,411	54,895
Other	276,526	275,442
Total current liabilities	579,264	513,324
Non-current liabilities		
Asset retirement obligations	37,457	37,807
Other	97,804	48,551
Total non-current liabilities	135,262	86,359
Total liabilities	714,527	599,683
Net assets		
Shareholders' equity		
Share capital	654,377	656,127
Capital surplus	769,217	782,900
Retained earnings	2,501,001	2,459,868
Treasury shares	(548,271)	(548,271)
Total shareholders' equity	3,376,326	3,350,626
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,962	3,703
Total accumulated other comprehensive income	2,962	3,703
Total net assets	3,379,288	3,354,329
Total liabilities and net assets	4,093,815	3,954,012

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022
Net sales	1,496,109	1,629,224
Cost of sales	779,375	908,474
Gross profit	716,734	720,749
Selling, general and administrative expenses	488,331	513,116
Operating profit	228,402	207,633
Non-operating income		
Interest income	18	13
Rental income	8,000	7,750
Gain on investments in investment partnerships	374	–
Other	2,972	1,342
Total non-operating income	11,365	9,106
Non-operating expenses		
Interest expenses	59	19
Rental expenses	6,827	7,750
Other	42	1,745
Total non-operating expenses	6,930	9,514
Ordinary profit	232,837	207,224
Profit before income taxes	232,837	207,224
Income taxes - current	78,637	64,750
Income taxes - deferred	1,551	9,921
Total income taxes	80,188	74,671
Profit	152,648	132,552
Profit attributable to owners of parent	152,648	132,552

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022
Profit	152,648	132,552
Other comprehensive income		
Valuation difference on available-for-sale securities	(7,527)	740
Total other comprehensive income	(7,527)	740
Comprehensive income	145,121	133,293
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	145,121	133,293
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended August 31, 2021	Six months ended August 31, 2022
Cash flows from operating activities		
Profit before income taxes	232,837	207,224
Depreciation	34,288	49,948
Increase (decrease) in allowance for doubtful accounts	(588)	2,026
Increase (decrease) in retirement benefit liability	(36,046)	–
Interest income	(18)	(13)
Interest expenses	59	19
Share-based payment expenses	9,949	13,648
Loss (gain) on investments in investment partnerships	(374)	1,598
Decrease (increase) in trade receivables	50,444	(39,998)
Decrease (increase) in inventories	385	181
Increase (decrease) in trade payables	(17,400)	5,901
Decrease (increase) in prepaid expenses	(44,782)	(33,824)
Decrease (increase) in accounts receivable - other	6,428	(550)
Increase (decrease) in accounts payable - other	28,820	(61,539)
Increase (decrease) in accrued consumption taxes	(58,076)	2,468
Other, net	5,281	(12,761)
Subtotal	211,207	134,330
Interest received	13	13
Interest paid	(59)	(19)
Income taxes refund (paid)	(125,849)	(125,580)
Net cash provided by (used in) operating activities	85,312	8,743
Cash flows from investing activities		
Purchase of property, plant and equipment	(348)	(16,388)
Purchase of intangible assets	(143,148)	(36,549)
Proceeds from distributions from investment partnerships	4,600	–
Other, net	(3,727)	(1,450)
Net cash provided by (used in) investing activities	(142,623)	(54,388)
Cash flows from financing activities		
Dividends paid	(173,039)	(173,303)
Repayments of lease obligations	(5,302)	(2,090)
Other, net	(75)	–
Net cash provided by (used in) financing activities	(178,416)	(175,393)
Net increase (decrease) in cash and cash equivalents	(235,728)	(221,038)
Cash and cash equivalents at beginning of period	2,626,581	2,666,884
Cash and cash equivalents at end of period	2,390,853	2,445,845