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## Summary of Non-consolidated Financial Results for the Six Months Ended November 30, 2022 [Japanese GAAP]



January 13, 2023

Company name: Enjin Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 7370

URL: <https://www.y-enjin.co.jp/>

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Scheduled date of filing quarterly securities report: January 13, 2023

Scheduled date of commencing dividend payments: January 30, 2023

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Scheduled (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

### 1. Financial Results for the Six Months Ended November 30, 2022 (June 1, 2022–November 30, 2022)

(1) Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
November 30, 2022	1,618	16.4	567	10.1	574	5.0	388	3.1
November 30, 2021	1,390	–	515	–	546	–	376	–

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended		
November 30, 2022	52.57	52.14
November 30, 2021	51.54	50.98

(Note) For the six months ended November 30, 2021, changes from the previous corresponding period are not presented as quarterly financial statements for the six months ended November 30, 2020 were not prepared.

(2) Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2022	4,832	3,951	81.6
As of May 31, 2022	4,875	3,816	78.1

(Reference) Equity: As of November 30, 2022: ¥3,943 million

As of May 31, 2022: ¥3,808 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 May 31, 2022	–	0.00	–	34.50	34.50
Fiscal year ending May 31, 2023	–	13.00			
Fiscal year ending May 31, 2023 (Forecast)			–	–	–

(Note) Revision to the forecast for dividends announced most recently: None

The Company's Articles of Incorporation stipulate that its record dates for dividends are the end of each second quarter and the end of each fiscal year, but the forecast amount of year-end dividends for the fiscal year ending May 31, 2023 is yet to be determined.

## 3. Financial Results Forecast for the Fiscal Year Ending May 31, 2023 (June 1, 2022–May 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	4,055	32.3	1,500	24.8	1,498	21.2	966	16.6	129.53

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

**\* Notes:**

(1) Accounting methods adopted particularly for the preparation of quarterly financial statements: None

(2) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

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

3) Changes in accounting estimates: None

4) Retrospective restatement: None

For details, please see “2. Quarterly Financial Statements and Principal Notes (4) Notes to Quarterly Financial Statements (Changes in accounting policies)” on page 7 of the attachments (available in Japanese only).

(3) 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):

November 30, 2022: 7,403,800 shares

May 31, 2022: 7,388,200 shares

2) Total number of treasury shares at the end of the period:

November 30, 2022: 67 shares

May 31, 2022: 40 shares

3) Average number of shares during the period (cumulative):

Six months ended November 30, 2022: 7,395,937 shares

Six months ended November 30, 2021: 7,314,700 shares

\* These quarterly 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

The earnings forecasts and other forward-looking statements herein are based on information available to the Company as of the date of publication of this document and certain assumptions deemed reasonable, and do not represent the Company’s commitment that they will be achieved. Actual results may differ significantly due to various factors.

## Quarterly Financial Statements

### (1) Quarterly Balance Sheets

(Thousand yen)

	As of May 31, 2022	As of November 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	4,007,163	3,904,922
Accounts receivable - trade	81,815	75,682
Inventories	13,429	11,651
Accounts receivable - other	290,107	332,683
Prepaid expenses	68,216	61,353
Other	52	226
Allowance for doubtful accounts	(17,567)	(24,558)
Total current assets	4,443,216	4,361,962
Non-current assets		
Property, plant and equipment	149,919	151,403
Intangible assets	30,115	32,828
Investments and other assets		
Investment securities	97,186	95,264
Deferred tax assets	55,638	59,798
Distressed receivables	24,353	24,023
Other	99,694	131,477
Allowance for doubtful accounts	(24,353)	(24,023)
Total investments and other assets	252,519	286,540
Total non-current assets	432,553	470,772
Total assets	4,875,770	4,832,734
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	44,739	28,122
Income taxes payable	362,430	210,167
Advances received	437,990	467,812
Provision for bonuses	23,414	56,775
Other	188,769	115,240
Total current liabilities	1,057,344	878,118
Non-current liabilities		
Long-term accounts payable - other	1,639	2,664
Total non-current liabilities	1,639	2,664
Total liabilities	1,058,984	880,782
<b>Net assets</b>		
Shareholders' equity		
Share capital	903,331	904,012
Capital surplus	873,331	874,012
Retained earnings	2,032,291	2,166,180
Treasury shares	(133)	(218)
Total shareholders' equity	3,808,821	3,943,987
Share acquisition rights	7,964	7,964
Total net assets	3,816,785	3,951,951
Total liabilities and net assets	4,875,770	4,832,734

(2) Quarterly Statements of Income  
Six Months Ended November 30

(Thousand yen)

	For the six months ended November 30, 2021	For the six months ended November 30, 2022
Net sales	1,390,721	1,618,973
Cost of sales	260,657	273,608
Gross profit	1,130,064	1,345,365
Selling, general and administrative expenses	614,433	777,502
Operating profit	515,630	567,862
Non-operating income		
Interest income	9	19
Reversal of allowance for doubtful accounts	300	300
Gain on sale of goods	74	306
Gain on investments in silent partnerships	49,923	7,733
Other	30	341
Total non-operating income	50,338	8,701
Non-operating expenses		
Foreign exchange losses	140	156
Loss on investments in investment partnerships	–	1,921
Share issuance costs	8,765	60
Listing expenses	8,881	–
Other	1,287	109
Total non-operating expenses	19,074	2,247
Ordinary profit	546,894	574,316
Profit before income taxes	546,894	574,316
Income taxes - current	168,472	189,696
Income taxes - deferred	1,436	(4,159)
Total income taxes	169,908	185,536
Profit	376,985	388,780

## (3) Quarterly Statements of Cash Flows

(Thousand yen)

	For the six months ended November 30, 2021	For the six months ended November 30, 2022
<b>Cash flows from operating activities</b>		
Profit before income taxes	546,894	574,316
Depreciation	11,312	20,258
Increase (decrease) in allowance for doubtful accounts	2,141	6,660
Increase (decrease) in provision for bonuses	3,614	33,360
Interest income	(9)	(19)
Share issuance costs	8,765	–
Loss (gain) on investments in silent partnerships	(49,923)	(7,733)
Decrease (increase) in accounts receivable - trade	(10,853)	6,133
Decrease (increase) in inventories	295	2,168
Decrease (increase) in accounts receivable - other	(36,471)	(42,576)
Decrease (increase) in prepaid expenses	(6,279)	6,862
Increase (decrease) in accounts payable - trade	(3,317)	(16,617)
Increase (decrease) in accounts payable - other	(697)	(2,889)
Increase (decrease) in accrued expenses	(3,908)	(13,223)
Increase (decrease) in advances received	47,508	29,822
Other, net	3,006	(40,250)
Subtotal	512,078	556,273
Interest and dividends received	9	19
Income taxes paid	(123,898)	(358,976)
Net cash provided by (used in) operating activities	388,189	197,316
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(5,512)	(16,398)
Purchase of intangible assets	(3,680)	(5,760)
Dividends received in silent partnerships	1,014	7,733
Purchase of investment securities	(100,000)	–
Purchase of resort membership	–	(1,609)
Other, net	(5,600)	(30,457)
Net cash provided by (used in) investing activities	(113,778)	(46,492)
<b>Cash flows from financing activities</b>		
Proceeds from issuance of shares	1,736,994	–
Proceeds from exercise of employee share options	903	1,362
Purchase of treasury shares	–	(85)
Dividends paid	–	(254,342)
Net cash provided by (used in) financing activities	1,737,897	(253,065)
Effect of exchange rate change on cash and cash equivalents	0	–
Net increase (decrease) in cash and cash equivalents	2,012,308	(102,240)
Cash and cash equivalents at beginning of period	1,492,362	4,007,163
Cash and cash equivalents at end of period	3,504,671	3,904,922