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Non-consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]

January 27, 2023

Company name: Entrust Inc.

Stock exchange listing: Tokyo

Code number: 7191

URL: <https://www.entrust-inc.jp/>

Representative: Yutaka Kuwabara

President and Representative Director

Contact: Hiroyuki Ota

Director, operating officer

Phone: 03(5213)0250

Scheduled date of filing quarterly securities report: February 10, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: No

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

1. Non-consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 01, 2022 to December 31, 2022)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2022	4,656	29.7	1,210	40.5	1,208	39.7	740	36.4
December 31, 2021	3,590	17.3	861	2.4	864	2.4	542	(2.8)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	33.13	33.10
December 31, 2021	24.28	24.28

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of December 31, 2022	7,222	4,900	67.7
March 31, 2022	6,325	4,454	70.3

(Reference) Equity: As of December 31, 2022: ¥ 4,890 million
As of March 31, 2022: ¥ 4,447 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	-	6.00	-	6.00	12.00
Fiscal year ending March 31, 2023	-	7.00	-		
Fiscal year ending March 31, 2023 (Forecast)				6.50	13.50

(Note) Revision to the forecast for dividends announced most recently: No

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	6,230	26.0	1,530	29.2	1,530	29.7	955	22.5	42.71

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Accounting policies adopted specially for the preparation of quarterly Non-consolidated financial statements: No

(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: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

December 31, 2022: 22,360,122 shares

March 31, 2022: 22,357,522 shares

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

December 31, 2022: 158 shares

March 31, 2022: 158 shares

3) Average number of shares during the period:

Nine months ended December 31, 2022: 22,359,386 shares

Nine months ended December 31, 2021: 22,357,364 shares

*Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

*Explanation for appropriate use of financial forecasts and other special notes

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions to the company.

And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

*Briefing material on quarterly financial results will be posted on the Company's website on January 27, 2023.

Quarterly Non-consolidated Financial Statements
 Quarterly Non-consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of December 31,2022
Assets		
Current assets		
Cash and deposits	3,268,087	3,895,643
Accounts receivable - trade	254,996	205,307
Advances paid	2,011,105	2,533,186
Other	423,083	457,773
Allowance for doubtful accounts	(646,920)	(875,429)
Total current assets	5,310,351	6,216,482
Non-current assets		
Property, plant and equipment	95,681	85,956
Intangible assets	250,006	219,811
Investments and other assets	669,631	699,974
Total non-current assets	1,015,318	1,005,742
Total assets	6,325,670	7,222,225

(Thousand yen)

	As of March 31,2022	As of December 31,2022
Liabilities		
Current liabilities		
Accounts payable - trade	20,387	34,115
Income taxes payable	233,101	274,207
Contract liabilities	1,182,841	1,521,729
Provision for bonuses	49,948	27,764
Reserve for fulfillment of guarantees	111,696	161,713
Other	176,940	195,622
Total current liabilities	1,774,916	2,215,153
Non-current liabilities		
Asset retirement obligations	53,038	53,159
Other	43,236	53,240
Total non-current liabilities	96,275	106,400
Total liabilities	1,871,191	2,321,554
Net assets		
Shareholders' equity		
Share capital	1,044,438	1,045,155
Capital surplus	831,007	831,723
Retained earnings	2,583,274	3,033,294
Treasury shares	(127)	(127)
Total shareholders' equity	4,458,593	4,910,045
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	(11,155)	(19,826)
Total valuation and translation adjustments	(11,155)	(19,826)
Share acquisition rights	7,040	10,451
Total net assets	4,454,478	4,900,671
Total liabilities and net assets	6,325,670	7,222,225

Quarterly Non-consolidated Statements of Income

Quarterly Non-consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended December 31,2021	For the nine months ended December 31,2022
Net sales	3,590,669	4,656,982
Cost of sales	1,818,213	2,399,082
Gross profit	1,772,456	2,257,899
Selling, general and administrative expenses	911,017	1,047,360
Operating profit	861,439	1,210,539
Non-operating income		
Interest income	17	19
Interest on securities	2,301	2,301
Dividend income	924	1,010
Miscellaneous income	195	386
Total non-operating income	3,439	3,718
Non-operating expenses		
Loss on investments in investment partnerships	-	1,275
Loss on retirement of non-current assets	7	196
Commission expenses	-	4,000
Miscellaneous losses	-	349
Total non-operating expenses	7	5,821
Ordinary profit	864,871	1,208,435
Extraordinary losses		
Loss on valuation of investment securities	-	3,860
Total extraordinary losses	-	3,860
Profit before income taxes	864,871	1,204,575
Income taxes - current	302,847	458,085
Income taxes - deferred	19,106	5,807
Total income taxes	321,953	463,892
Profit	542,917	740,683