



en Japan Inc.

3rd Quarter FY March 2023 Earnings Announcement [Japan GAAP] (Consolidated)

February 9, 2023

| | | | |
|--|----------------------------------|--|---|
| Company Name | en Japan Inc. | Listing Exchanges | Prime Section of the Tokyo Stock Exchange |
| Stock Code | 4849 | URL | https://corp.en-japan.com/ |
| Representative (Title) | President | (Name) | Takatsugu Suzuki |
| Contact (Title) | Administration Division Director | (Name) | Toshio Hijikata Telephone +81-3-3342-4506 |
| Scheduled Date for Submission of Quarterly Report | | February 9, 2023 | |
| Scheduled Date to Begin Dividend Payments | | – | |
| Preparation of Quarterly Summary Supplementary Explanatory Materials | | Yes | |
| Quarterly Earnings Briefing | | Yes (for analysts and institutional investors) | |

(Figures rounded down to nearest million yen)

1. FY Ending March 2023 Cumulative Third Quarter Operating Results (From April 1, 2022 to December 31, 2022)

(1) Consolidated Operating Results (year to date) (percentages indicate percent change from prior fiscal year)

| | Net Sales | | Operating Income | | Ordinary Income | | Profit Attributable to Owners of Parent | |
|-------------------|-------------|------|------------------|-------|-----------------|-------|---|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| FYE 3/23 3rd Qtrr | 49,564 | 27.4 | 3,944 | -45.6 | 4,175 | -44.2 | 2,899 | -42.4 |
| FYE 3/22 3rd Qtrr | 38,904 | 25.0 | 7,252 | 43.8 | 7,485 | 45.3 | 5,037 | 70.8 |

(Note) Comprehensive income FYE 3/23 3rd Qtrr 4,229 million yen (-24.0 %) FYE 3/22 3rd Qtrr 5,567 million yen (96.8 %)

| | EPS | Fully Diluted EPS |
|-------------------|--------|-------------------|
| | Yen | Yen |
| FYE 3/23 3rd Qtrr | 65.10 | 64.37 |
| FYE 3/22 3rd Qtrr | 112.29 | 112.08 |

(2) Consolidated Financial Position

| | Total Assets | Net Assets | Net Asset Ratio |
|-------------------|--------------|-------------|-----------------|
| | Million yen | Million yen | % |
| FYE 3/23 3rd Qtrr | 53,746 | 38,684 | 70.8 |
| FYE 3/22 | 56,215 | 41,160 | 72.2 |

(Reference) Core capital FYE 3/23 3rd Qtrr 38,047 million yen FYE 3/22 40,603 million yen

2. Dividends

| | Dividends per Share | | | | |
|----------------------|---------------------|-----------------|-----------------|----------|-----------|
| | 1st Quarter-end | 2nd Quarter-end | 3rd Quarter-end | Year-end | Full Year |
| | Yen | Yen | Yen | Yen | Yen |
| FYE 3/22 | – | 0.00 | – | 70.10 | 70.10 |
| FYE 3/23 | – | 0.00 | – | 70.10 | 70.10 |
| FYE 3/23 (projected) | – | – | – | 70.10 | 70.10 |

(Note) Revisions to the Company's latest dividend forecast: None

3. FY Ending March 2023 Projected Consolidated Operating Results (April 1, 2022 – March 31, 2023)

(Percentages indicate percentage change from prior fiscal year)

| | Net Sales | | Operating Income | | Ordinary Income | | Profit Attributable to Owners of Parent | | EPS |
|-----------|-------------|------|------------------|-------|-----------------|-------|---|-------|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 66,191 | 21.4 | 4,369 | -54.6 | 4,621 | -54.4 | 3,359 | -49.3 | 74.90 |

(Note) Revisions to the Company's latest operating results projections: None

* Notes

- (1) Changes in material subsidiaries during the period under review
 (Change in specific subsidiaries that will accompany a change in scope of consolidation) No
 Newly included None (Name of company) –
 Exclusion None (Name of company) –
- (2) Adoption of special accounting treatment used in preparation of the quarterly consolidated financial statements Yes
- (3) Changes in accounting policy, changes in accounting estimates, or restatement due to correction
 - a. Changes in accounting policy accompanying amendment of accounting principles: No
 - b. Changes in accounting policy other than "a." No
 - c. Changes in accounting estimates: No
 - d. Restatement due to correction: No
- (4) Number of shares issued (common share)
 - a. Number of shares issued at the end of the period (including treasury shares)
 FYE 3/23 3rd Qtr 49,716,000 shares FYE 3/22 49,716,000 shares
 - b. Number of shares of treasury shares at the end of the period
 FYE 3/23 3rd Qtr 6,192,249 shares FYE 3/22 4,795,377 shares
 - c. Average number of shares issued during the period (Quarter Year-to-Date)
 FYE 3/23 3rd Qtr 44,545,323 shares FYE 3/22 3rd Qtr 44,861,604 shares

* The quarterly earnings announcement is not within the scope of the quarterly review procedure by a certified public accountant or an audit corporation.

* Explanation regarding appropriate use of operating results projections, other special notes

(Points to note on future descriptions)

- Forward-looking statements including projected operating results contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed as rational, and are not intended to guarantee achievements by the Company. Actual results may differ significantly from such projections due to various factors.

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* The Company plans to post supplementary materials to explain financial results on its website today.
Please refer to the URL below.
<https://corp.en-japan.com/IR/>

1. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

| | Previous Fiscal Year (As of March 31, 2022) | Third Quarter of Current Fiscal Year (As of December 31, 2022) |
|--|--|--|
| Assets | | |
| Current assets | | |
| Cash and deposits | 33,849 | 26,429 |
| Notes and accounts receivable – trade, and contract assets | 5,466 | 6,098 |
| Securities | 2,000 | 2,000 |
| Other | 1,061 | 3,221 |
| Allowance for doubtful accounts | -76 | -275 |
| Total current assets | 42,301 | 37,474 |
| Non-current assets | | |
| Property, plant and equipment | 634 | 524 |
| Intangible assets | | |
| Goodwill | 2,342 | 2,378 |
| Other | 4,545 | 5,553 |
| Total intangible assets | 6,888 | 7,931 |
| Investments and other assets | | |
| Investment securities | 2,752 | 3,959 |
| Shares of subsidiaries and associates | 680 | 680 |
| Other | 3,327 | 3,581 |
| Allowance for doubtful accounts | -367 | -404 |
| Total investments and other assets | 6,392 | 7,816 |
| Total non-current assets | 13,914 | 16,272 |
| Total assets | 56,215 | 53,746 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable – trade | 1,063 | 1,328 |
| Income taxes payable | 1,189 | 476 |
| Provision for bonuses | 1,088 | 746 |
| Provision for directors' bonuses | 27 | 32 |
| Advances received | 3,785 | 4,488 |
| Other | 6,346 | 6,210 |
| Total current liabilities | 13,501 | 13,283 |
| Non-current liabilities | | |
| Retirement benefit liability | — | 113 |
| Provision for share benefits | 424 | 475 |
| Asset retirement obligations | 206 | 206 |
| Other | 922 | 982 |
| Total non-current liabilities | 1,553 | 1,779 |
| Total liabilities | 15,054 | 15,062 |

(Million yen)

| | Previous Fiscal Year (As of March 31, 2022) | Third Quarter of Current Fiscal Year (As of December 31, 2022) |
|---|--|--|
| Net assets | | |
| Shareholders' equity | | |
| Capital stock | 1,194 | 1,194 |
| Capital surplus | 902 | 1,177 |
| Retained earnings | 43,147 | 42,460 |
| Treasury shares | -5,068 | -8,456 |
| Total shareholders' equity | 40,176 | 36,375 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 102 | 140 |
| Foreign currency translation adjustment | 324 | 1,530 |
| Total accumulated other comprehensive income | 426 | 1,671 |
| Subscription rights to shares | 124 | 181 |
| Non-controlling interests | 432 | 455 |
| Total net assets | 41,160 | 38,684 |
| Total liabilities and net assets | 56,215 | 53,746 |

(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Statements of Income

Cumulative Third Quarter

(Million yen)

| | Cumulative Third Quarter of the Previous Fiscal Year (From April 1, 2021 to December 31, 2021) | Cumulative Third Quarter of the Current Fiscal Year (From April 1, 2022 to December 31, 2022) |
|--|---|--|
| Net sales | 38,904 | 49,564 |
| Cost of sales | 8,033 | 12,127 |
| Gross profit | 30,870 | 37,436 |
| Selling, general and administrative expenses | 23,618 | 33,492 |
| Operating Income | 7,252 | 3,944 |
| Non-operating income | | |
| Interest income | 90 | 119 |
| Dividend income | 27 | 1 |
| Foreign exchange gains | 21 | 48 |
| Reversal of allowance for doubtful accounts | 0 | 1 |
| Gain on investments in partnership | 86 | 41 |
| Other | 26 | 25 |
| Total non-operating income | 252 | 238 |
| Non-operating expenses | | |
| Interest expenses | 1 | 2 |
| Other | 19 | 4 |
| Total non-operating expenses | 20 | 6 |
| Ordinary Income | 7,485 | 4,175 |
| Extraordinary income | | |
| Gain on sales of non-current assets | 0 | 0 |
| Gain on sales of investment securities | 33 | 385 |
| Total extraordinary income | 33 | 385 |
| Extraordinary losses | | |
| Loss on sales of non-current assets | 0 | 2 |
| Loss on retirement of non-current assets | 15 | 7 |
| Loss on sales of investment securities | 3 | — |
| Loss on valuation of investment securities | — | 186 |
| Total extraordinary losses | 18 | 195 |
| Profit before income taxes | 7,500 | 4,366 |
| Income taxes-current | 2,377 | 1,449 |
| Total income taxes | 2,377 | 1,449 |
| Profit | 5,122 | 2,916 |
| Profit attributable to non-controlling interests | 85 | 16 |
| Profit Attributable to Owners of Parent | 5,037 | 2,899 |

Quarterly Consolidated Statements of Comprehensive Income

Cumulative Third Quarter

(Million yen)

| | Cumulative Third Quarter of the Previous Fiscal Year (From April 1, 2021 to December 31, 2021) | Cumulative Third Quarter of the Current Fiscal Year (From April 1, 2022 to December 31, 2022) |
|--|---|--|
| Profit | 5,122 | 2,916 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 65 | 38 |
| Foreign currency translation adjustment | 379 | 1,275 |
| Total other comprehensive income | 444 | 1,313 |
| Comprehensive income | 5,567 | 4,229 |
| (Break down) | | |
| Comprehensive income attributable to owners of parent | 5,450 | 4,144 |
| Comprehensive income attributable to non-controlling interests | 116 | 84 |

(3) Notes regarding Quarterly Consolidated Financial Statements

(Notes Relating to the Going Concern Assumption)

There are no pertinent items.

(Adoption of Special Accounting Treatment Used in Preparation of the Quarterly Consolidated Financial Statements)

(Calculation of tax expenses)

The Company calculates tax expenses by rationally estimating the effective tax rate after applying tax effect accounting on profit before income taxes on a consolidated basis for the fiscal year including the third quarter of the period under review. It then multiplies the estimated effective tax rate by profit before income taxes for the quarter.

Note, however, that if calculating tax expenses using the estimated effective tax rate produces a result which significantly lacks reasonableness, the statutory tax rate is adopted.

(Notes on Significant Changes to Shareholders' Equity)

Effective August 10, 2022, the Company resolved to set up a share buyback program, under Article 156 of the Companies Act, as applied pursuant to Article 165(3) of the Companies Act, by a written resolution of the Board of Directors pursuant to Article 370 of the Companies Act and Article 25 of the Articles of Incorporation of the Company. As a result, the Company's treasury shares increased by ¥3,429 million during the cumulative third quarter of the fiscal year under review to ¥8,456 million at the end of the third quarter of the fiscal year under review.

(Segment Information)

[Segment Information]

I Cumulative third quarter of the previous fiscal year (From April 1, 2021 to December 31, 2021)

Description is omitted since en Japan group is formed under a single segment.

II Cumulative third quarter of the fiscal year under review (From April 1, 2022 to December 31, 2022)

Description is omitted since en Japan group is formed under a single segment.