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Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]

July 28, 2023

Company name: Entrust Inc.

Stock exchange listing: Tokyo

Code number: 7191

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

Representative: Yutaka Kuwabara

Contact: Hiroyuki Ota

Phone: 03(5213)0250

Scheduled date of filing quarterly securities report: August 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

President and Representative Director

Director, operating officer

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2023 (April 1, 2023 to June 30, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-----------------|---|------------------|---|-----------------|---|---|---|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| Three months ended June 30, 2023 | 2,095 | - | 502 | - | 496 | - | 280 | - |
| June 30, 2022 | - | - | - | - | - | - | - | - |

(Note) Comprehensive income: Three months ended June 30, 2023: ¥ 321 million [-%]
Three months ended June 30, 2022: ¥ - million [-%]

| | Basic earnings per share | Diluted earnings per share |
|--------------------|--------------------------|----------------------------|
| Three months ended | Yen | Yen |
| June 30, 2023 | 12.55 | 12.54 |
| June 30, 2022 | - | - |

(Note) The Company has prepared quarterly consolidated financial statements since the three months ended June 30, 2023. Therefore, figures for the three months ended June 30, 2022 and year-on-year changes are omitted.

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio |
|----------------|-----------------|-----------------|------------------------|
| As of | Millions of yen | Millions of yen | % |
| June 30, 2023 | 8,406 | 5,375 | 63.8 |
| March 31, 2023 | - | - | - |

(Reference) Equity: As of June 30, 2023: ¥ 5,364 million
As of March 31, 2023: ¥ - million

(Note) The Company has prepared quarterly consolidated financial statements since the three months ended June 30, 2023. Therefore, figures for the fiscal year ended March 31, 2023 are omitted.

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, 2023 | - | 7.00 | - | 7.00 | 14.00 |
| Fiscal year ending March 31, 2024 | - | | | | |
| Fiscal year ending March 31, 2024 (Forecast) | | 9.00 | - | 9.00 | 18.00 |

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024(April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|--------------------------------------|-----------------|---|------------------|---|-----------------|---|---|---|--------------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Six months ending September 30, 2023 | 4,100 | - | 1,010 | - | 1,010 | - | 620 | - | 27.73 |
| Full year | 8,500 | - | 2,100 | - | 2,100 | - | 1,280 | - | 57.25 |

(Note) 1. Revision to the financial results forecast announced most recently: No

2. The Company has prepared quarterly consolidated financial statements since the three months ended June 30, 2023. Therefore, year-on-year changes are omitted.

* Notes:

(1) Changes in significant subsidiaries during the three months ended June 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

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

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

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

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

June 30, 2023: 22,360,122 shares

March 31, 2023: 22,360,122 shares

2) Number of treasury shares at the end of the period:

June 30, 2023: 158 shares

March 31, 2023: 158 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2023: 22,359,964 shares

Three months ended June 30, 2022: 22,358,231 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 July 28, 2023.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

As of June 30, 2023

| | |
|---------------------------------|-------------|
| Assets | |
| Current assets | |
| Cash and deposits | 4,695,053 |
| Accounts receivable - trade | 182,760 |
| Advances paid | 3,110,554 |
| Other | 542,043 |
| Allowance for doubtful accounts | (1,344,538) |
| Total current assets | 7,185,872 |
| Non-current assets | |
| Property, plant and equipment | 178,147 |
| Intangible assets | |
| Other | 249,153 |
| Total intangible assets | 249,153 |
| Investments and other assets | 793,720 |
| Total non-current assets | 1,221,021 |
| Total assets | 8,406,894 |

(Thousands of yen)

As of June 30, 2023

| | |
|---|-----------|
| Liabilities | |
| Current liabilities | |
| Accounts payable - trade | 48,413 |
| Income taxes payable | 205,728 |
| Contract liabilities | 2,043,172 |
| Provision for bonuses | 34,953 |
| Reserve for fulfillment of guarantees | 284,544 |
| Other | 262,709 |
| Total current liabilities | 2,879,521 |
| Non-current liabilities | |
| Asset retirement obligations | 72,145 |
| Other | 80,157 |
| Total non-current liabilities | 152,302 |
| Total liabilities | 3,031,824 |
| Net assets | |
| Shareholders' equity | |
| Share capital | 1,045,155 |
| Capital surplus | 831,723 |
| Retained earnings | 3,421,714 |
| Treasury shares | (127) |
| Total shareholders' equity | 5,298,466 |
| Accumulated other comprehensive income | |
| Valuation difference on available-for-sale securities | 66,152 |
| Total accumulated other comprehensive income | 66,152 |
| Share acquisition rights | 10,451 |
| Total net assets | 5,375,070 |
| Total liabilities and net assets | 8,406,894 |

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

| | For the three months ended June 30, 2023 |
|--|---|
| Net sales | 2,095,812 |
| Cost of sales | 1,069,509 |
| Gross profit | 1,026,302 |
| Selling, general and administrative expenses | 523,769 |
| Operating profit | 502,532 |
| Non-operating income | |
| Interest income | 0 |
| Interest on securities | 764 |
| Dividend income | 602 |
| Miscellaneous income | 396 |
| Total non-operating income | 1,762 |
| Non-operating expenses | |
| Loss on retirement of non-current assets | 4,146 |
| Loss on investments in investment partnerships | 4,115 |
| Total non-operating expenses | 8,262 |
| Ordinary profit | 496,032 |
| Extraordinary income | |
| Gain on sale of non-current assets | 75 |
| Total extraordinary income | 75 |
| Profit before income taxes | 496,108 |
| Income taxes - current | 192,632 |
| Income taxes - deferred | 22,918 |
| Total income taxes | 215,551 |
| Profit | 280,557 |
| Profit attributable to non-controlling interests | - |
| Profit attributable to owners of parent | 280,557 |

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

| | For the three months ended June 30, 2023 |
|--|---|
| Profit | 280,557 |
| Other comprehensive income | |
| Valuation difference on available-for-sale securities | 41,194 |
| Total other comprehensive income | 41,194 |
| Comprehensive income | 321,751 |
| Comprehensive income attributable to | |
| Comprehensive income attributable to owners of parent | 321,751 |
| Comprehensive income attributable to non-controlling interests | - |