

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



August 14, 2023

Company name: ESCRIT INC.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2196

URL: <http://www.escrit.jp/>

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Scheduled date of filing quarterly securities report: August 14, 2023

Scheduled date of commencing dividend payments: —

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Not scheduled

(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 – 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	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2023	5,762	4.5	(175)	—	(271)	—	(224)	—
June 30, 2022	5,517	5.7	(138)	—	8	—	(45)	—

(Note) Comprehensive income: Three months ended June 30, 2023: ¥(209) million [–%]

Three months ended June 30, 2022: ¥(61) million [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	(22.11)	—
June 30, 2022	(7.51)	—

(Note) Although potential dilutive shares existed, diluted earnings per share are not stated herein because a net loss per share was recorded.

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2023	22,215	5,659	25.5
As of March 31, 2023	22,985	5,870	25.5

(Reference) Equity: As of June 30, 2023: ¥5,659 million

As of March 31, 2023: ¥5,868 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, 2023	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2024	—				
Fiscal year ending March 31, 2024 (Forecast)		0.00	—	0.00	0.00

(Note) Dividends noted above are on common shares. As for the status of dividends for Class Shares (unlisted) with different rights from those of common shares of the Company, see “(Reference) Dividends Payable for Class Shares” below.

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 - 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
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	26,780	11.0	800	279.3	650	43.6	400	138.0	7.40

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

#### \* Notes:

- (1) Changes in significant subsidiaries during the period under review: Yes  
 (Changes in specified subsidiaries resulting in changes in scope of consolidation)  
 Newly included: — (Company name: —)  
 Excluded: 1 (Company name: ESCRIT HAWAII INC.)

(Note) ESCRIT HAWAII INC., a consolidated subsidiary, was excluded from the scope of consolidation with the completion of liquidation on June 14, 2023.

- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

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

1) Changes in accounting policies due to the revision of accounting standards: None

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

3) Changes in accounting estimates: None

4) Retrospective restatement: None

- (4) 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):

June 30, 2023: 13,786,500 shares

March 31, 2023: 13,786,500 shares

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

June 30, 2023: 278,065 shares

March 31, 2023: 277,965 shares

- 3) Average number of shares during the period:

Three months ended June 30, 2023: 13,508,503 shares

Three months ended June 30, 2022: 13,508,535 shares

\* These quarterly consolidated 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

(Notes on forward-looking statements)

Earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and do not represent a commitment from the Company that they will be achieved. Actual results may differ significantly from the forecasts due to various factors.

(Access to supplementary explanatory materials on financial results)

Supplementary explanatory materials on financial results were posted on the Company’s website on August 14, 2023.

2. Quarterly Consolidated Financial Statements and Principal Notes  
(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	5,406,693	4,602,258
Notes and accounts receivable - trade, and contract assets	215,166	209,378
Accounts receivable from completed construction contracts	430,354	169,414
Real estate for sale	354,748	920,358
Merchandise and finished goods	323,323	302,428
Raw materials and supplies	58,247	55,615
Costs on construction contracts in progress	109,005	182,321
Other	828,939	594,784
Allowance for doubtful accounts	(39,806)	(27,234)
Total current assets	7,686,671	7,009,325
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,374,282	5,222,227
Other	1,322,904	1,091,704
Total property, plant and equipment	6,697,187	6,313,931
Intangible assets	97,375	208,014
Investments and other assets		
Leasehold and guarantee deposits	3,665,000	3,665,780
Deferred tax assets	4,573,725	4,638,926
Investment property	–	116,303
Other	308,705	308,711
Allowance for doubtful accounts	(43,548)	(45,316)
Total investments and other assets	8,503,883	8,684,404
Total non-current assets	15,298,445	15,206,349
Total assets	22,985,116	22,215,675

(Thousand yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	928,096	645,087
Short-term borrowings	4,854,000	4,779,000
Current portion of long-term borrowings	1,135,841	1,188,148
Accounts payable - other	740,583	725,830
Income taxes payable	30,878	8,208
Contract liabilities	1,448,991	1,146,844
Asset retirement obligations	118,266	216,327
Other	1,594,103	1,493,289
Total current liabilities	10,850,761	10,202,735
Non-current liabilities		
Bonds payable	150,000	150,000
Long-term borrowings	3,303,573	3,510,348
Asset retirement obligations	2,355,753	2,263,573
Other	455,004	429,285
Total non-current liabilities	6,264,330	6,353,207
Total liabilities	17,115,091	16,555,943
<b>Net assets</b>		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	4,613,178	4,613,178
Retained earnings	1,426,965	1,202,815
Treasury shares	(192,505)	(192,543)
Total shareholders' equity	5,897,638	5,673,450
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(920)	1,798
Foreign currency translation adjustment	(27,880)	(15,517)
Total accumulated other comprehensive income	(28,800)	(13,719)
Share acquisition rights	1,187	—
Total net assets	5,870,025	5,659,731
Total liabilities and net assets	22,985,116	22,215,675

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)
Net sales	5,517,016	5,762,677
Cost of sales	2,274,457	2,372,505
Gross profit	3,242,558	3,390,172
Selling, general and administrative expenses	3,380,941	3,566,044
Operating loss	(138,382)	(175,872)
Non-operating income		
Subsidies for employment adjustment	44,641	–
Subsidy income	172,476	1,555
Gain on liquidation of leasehold and guarantee deposits	–	3,500
Other	19,699	2,448
Total non-operating income	236,817	7,503
Non-operating expenses		
Interest expenses	18,315	18,272
Commission expenses for financial services	67,464	73,555
Other	3,938	11,086
Total non-operating expenses	89,717	102,914
Ordinary profit (loss)	8,718	(271,283)
Extraordinary income		
Gain on sale of non-current assets	–	814
Gain on reversal of share acquisition rights	784	1,187
Total extraordinary income	784	2,001
Extraordinary losses		
Loss on reversal of foreign currency translation adjustment	–	18,676
Total extraordinary losses	–	18,676
Profit (loss) before income taxes	9,502	(287,958)
Income taxes - current	8,785	8,217
Income taxes - deferred	46,021	(72,025)
Total income taxes	54,807	(63,808)
Loss	(45,304)	(224,149)
Loss attributable to owners of parent	(45,304)	(224,149)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2022 (From April 1, 2022 to June 30, 2022)	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)
Loss	(45,304)	(224,149)
Other comprehensive income		
Valuation difference on available-for-sale securities	(250)	2,718
Foreign currency translation adjustment	(15,588)	12,363
Total other comprehensive income	(15,839)	15,081
Comprehensive income	(61,144)	(209,068)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(61,144)	(209,068)