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## Summary of Consolidated Financial Results for the Six Months Ended November 30, 2023 [Japanese GAAP]



January 12, 2024

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 12, 2024

Scheduled date of commencing dividend payments: January 30, 2024

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. Consolidated Financial Results for the Six Months Ended November 30, 2023 (June 1, 2023–November 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	%
Six months ended November 30, 2023	1,680	–	525	–	548	–	369	–
November 30, 2022	–	–	–	–	–	–	–	–

(Note) Comprehensive Income: For the six months ended November 30, 2023: ¥369 million [ - %]

For the six months ended November 30, 2022: ¥– million [ - %]

	Basic earnings per share	Diluted earnings per share
Six months ended November 30, 2023	Yen 50.88	Yen 50.58
November 30, 2022	–	–

\* Due to the adoption of consolidated financial statements since the end of the consolidated fiscal year ended May 31, 2023, the year-on-year changes for the six months ended November 30, 2023 as well as the figures and year-on-year changes for the six months ended November 30, 2022 are not included in this statement.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2023	5,186	4,348	83.7
As of May 31, 2023	5,478	4,163	75.9

(Reference) Equity: As of November 30, 2023: ¥4,340 million

As of May 31, 2023: ¥4,156 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, 2023	–	13.00	–	22.80	35.80
Fiscal year ending May 31, 2024	–	13.00			
Fiscal year ending May 31, 2024 (Forecast)			–	23.80	36.80

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending May 31, 2024 (June 1, 2023–May 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	3,204	–	1,018	–	1,018	–	682	–	92.63

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

**\* Notes:**

(1) Changes in significant subsidiaries during the six months ended on November 30, 2023 (changes in specified subsidiaries resulting in change in scope of consolidation): None

Newly included: – companies (Company name) –

Excluded: – companies (Company name) –

(2) Accounting methods adopted particularly for the preparation of quarterly 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):

November 30, 2023: 7,268,200 shares

May 31, 2023: 7,253,800 shares

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

November 30, 2023: 18,367 shares

May 31, 2023: 67 shares

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

Six months ended November 30, 2023: 7,260,283 shares

Six months ended November 30, 2022: 7,395,937 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 Consolidated Financial Statements

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of May 31, 2023	As of November 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	4,083,823	3,360,636
Accounts receivable - trade	105,990	105,668
Inventories	7,892	5,907
Accounts receivable - other	332,514	309,539
Prepaid expenses	78,003	76,179
Other	231	281,987
Allowance for doubtful accounts	(24,918)	(30,241)
Total current assets	4,583,537	4,109,676
Non-current assets		
Property, plant and equipment	156,107	196,943
Intangible assets		
Goodwill	97,915	93,019
Other	36,578	38,528
Total intangible assets	134,493	131,548
Investments and other assets		
Investment securities	393,734	388,557
Distressed receivables	23,673	23,313
Deferred tax assets	62,084	68,843
Other	148,469	291,265
Allowance for doubtful accounts	(23,673)	(23,313)
Total investments and other assets	604,287	748,667
Total non-current assets	894,888	1,077,158
Total assets	5,478,426	5,186,835
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	394,171	32,644
Current portion of long-term borrowings	3,384	3,684
Accounts payable - other	37,697	23,017
Accrued expenses	67,502	49,018
Income taxes payable	270,013	203,884
Advances received	345,274	382,939
Provision for bonuses	65,869	56,862
Other	75,474	35,902
Total current liabilities	1,259,388	787,952
Non-current liabilities		
Long-term borrowings	24,946	23,104
Other	30,167	27,184
Total non-current liabilities	55,113	50,288
Total liabilities	1,314,502	838,240

(Thousand yen)

	As of May 31, 2023	As of November 30, 2023
Net assets		
Shareholders' equity		
Share capital	904,012	904,650
Capital surplus	874,012	874,650
Retained earnings	2,378,231	2,582,235
Treasury shares	(218)	(20,825)
Total shareholders' equity	4,156,038	4,340,709
Share acquisition rights	7,884	7,884
Total net assets	4,163,923	4,348,594
Total liabilities and net assets	5,478,426	5,186,835

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Six Months Ended November 30, 2023

(Thousand yen)

	For the six months ended November 30, 2023
Net sales	1,680,670
Cost of sales	324,167
Gross profit	1,356,502
Selling, general and administrative expenses	831,414
Operating profit	525,088
Non-operating income	
Interest income	340
Dividend income	14
Gain on investments in investment partnerships	25,637
Other	406
Total non-operating income	26,398
Non-operating expenses	
Interest expenses	163
Loss on investments in investment partnerships	957
Loss on retirement of non-current assets	1,916
Other	335
Total non-operating expenses	3,372
Ordinary profit	548,113
Profit before income taxes	548,113
Income taxes - current	185,484
Income taxes - deferred	(6,759)
Total income taxes	178,724
Profit	369,389
Profit attributable to owners of parent	369,389

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended November 30, 2023

(Thousand yen)

	For the six months ended November 30, 2023
Profit	369,389
Comprehensive income	369,389
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	369,389

### (3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended November 30, 2023
<b>Cash flows from operating activities</b>	
Profit before income taxes	548,113
Depreciation	24,321
Amortization of goodwill	4,895
Increase (decrease) in allowance for doubtful accounts	4,963
Increase (decrease) in provision for bonuses	(9,006)
Interest and dividend income	(354)
Interest expenses	163
Loss (gain) on investments in silent partnerships	(25,637)
Loss on retirement of non-current assets	1,916
Decrease (increase) in accounts receivable - trade	321
Decrease (increase) in inventories	1,985
Decrease (increase) in accounts receivable - other	22,974
Decrease (increase) in prepaid expenses	1,762
Increase (decrease) in accounts payable - trade	(361,527)
Increase (decrease) in accounts payable - other	(14,680)
Increase (decrease) in accrued expenses	(22,963)
Increase (decrease) in advances received	37,285
Other, net	(22,020)
Subtotal	192,512
Interest and dividends received	354
Interest paid	(163)
Income taxes paid	(268,715)
Net cash provided by (used in) operating activities	(76,012)
<b>Cash flows from investing activities</b>	
Purchase of property, plant and equipment	(59,368)
Proceeds from sale of property, plant and equipment	264
Purchase of intangible assets	(8,426)
Dividends received in silent partnerships	25,637
Purchase of investment securities	(300,000)
Reimbursement of investments in investment business limited partnership	304,219
Loan advances	(144,700)
Other, net	3,022
Net cash provided by (used in) investing activities	(179,351)
<b>Cash flows from financing activities</b>	
Repayment of long-term borrowings	(1,542)
Proceeds from issuance of share acquisition rights	1,274
Purchase of treasury shares	(20,607)
Dividends paid	(165,309)
Deposit for purchase of treasury shares	(279,239)
Net cash provided by (used in) financing activities	(465,423)
Effect of exchange rate change on cash and cash equivalents	-
Net increase (decrease) in cash and cash equivalents	(720,786)
Cash and cash equivalents at beginning of period	4,058,773
Cash and cash equivalents at end of period	3,337,986