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February 8, 2024

## (Delayed) Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Japanese GAAP)

Company name: e-Seikatsu Co., Ltd.	Listing: Standard, Tokyo Stock Exchange
Securities code: 3796	URL: <a href="https://www.e-seikatsu.info/">https://www.e-seikatsu.info/</a>
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Scheduled date of file quarterly securities report:	February 8, 2024
Scheduled date to commence dividend payment:	-
Preparation of supplementary materials on quarterly financial results:	Yes
Holding of financial results briefing:	Yes For institutional investors and analysts

(Yen amounts are rounded down to the nearest millions)

### 1. Consolidated financial results for the Nine months ended December 31, 2023 (April 1, 2023 to December 31, 2023)

#### (1) Consolidated Operating Results (cumulative)

(Percentage indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended										
December 31, 2023	2,051	4.0	468	△2.5	110	△25.2	138	△6.8	88	△5.3
December 31, 2022	1,972	10.1	480	14.9	148	60.2	148	58.8	93	66.4

Note: Comprehensive Income For the Nine months ended December 31, 2023 88Millions of yen (△5.3%)  
For the Nine months ended December 31, 2022 93Millions of yen (66.4%)

Note: EBITDA (operating profit+ depreciation expenses) is disclosed as a useful comparative indicator for our group's performance.

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2023	12.78	-
December 31, 2022	13.49	-

## (2) Consolidated Financial Position

	Total assets	Net Assets	Equity-to-asset ratio	Net Assets per Share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2023	2,464	1,888	76.6	273.68
As of March 31, 2023	2,357	1,835	77.9	265.90

Reference: Equity As of December 31, 2023 1,888 Millions of yen  
As of March 31, 2023 1,835 Millions of yen

## 2.Cash dividends

	Dividend per share				
	First quarter-end	Third quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal Year Ended March 31, 2023	-	0.00	-	5.00	5.00
Fiscal Year Ended March 31, 2024	-	0.00	-		
Forecast for Fiscal Year Ended March 31, 2024				5.00	5.00

Note: Revisions to the forecast of cash dividends most recently announced: None.

## 3.Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentage indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share attributable to owners of the parent
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	2,950	9.4	300	28.1	308	30.4	204	29.3	29.63

Reference: EBITDA 785 Millions of yen (YoY +15.1%)

Note: EBITDA (operating profit+ depreciation expenses) is disclosed as a useful comparative indicator for our group's performance.

Note: Revisions to the consolidated earnings forecasts most recently announced: None.

## Notes

(1) Changes in significant subsidiaries during the cumulative period of the current quarter (changes in specified subsidiaries due to changes in the scope of consolidation): None

(2) Application of accounting treatment specific to preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatements of accounting estimates.

1) Changes in accounting policies due to changes in accounting standards, etc.: None

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

3) Changes in accounting estimates: None

4) Modification and reappearance: None

(4) Number of Shares Issued (Common shares)

1) Number of shares outstanding at the end of the fiscal year (including treasury shares)

As of December 31,2023	7,280,700 Shares	As of March 31,2023	7,280,700 Shares
As of December 31,2023	379,299 Shares	As of March 31,2023	379,299 Shares
Nine months ended December 31,2023	6,901,401 Shares	Nine months ended December 31,2022	6,901,401 Shares

2) Number of treasury stock at end of period

3) Average number of shares outstanding during the period

\*Quarterly Financial Results are not subject to Quarterly Review by Certified Public Accountants or Auditing Corporations.

\*Explanation of appropriate use of earnings forecasts and other special notes

Supplementary materials on quarterly financial results will be disclosed by TDnet on February 8, 2024, and will be posted on our website on the same day

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## 1. Qualitative Information on Current Quarterly Financial Results

### (1) Earnings

In the cumulative business results for the third quarter (April 1, 2023 to December 31, 2023), Net Sales was 2,051,184 thousand yen (a 4.0% increase in YOY), EBITDA was 468,827 thousand yen (a 2.5% decrease in YOY), operating profit was 110,863 thousand yen (a 25.2% decrease in YOY), ordinary profit was 138,183 thousand yen (a 6.8% decrease in YOY), and the profit attributable to owners of parent was 88,202 thousand yen (a 5.3% decrease in YOY).

Summary of Consolidated Results	Nine months ended December 31, 2022	Nine months ended December 31, 2023	Year-on-year change	
	(thousand yen)	(thousand yen)	Difference (thousand yen)	Rate of change (%)
Net sales	1,972,819	2,051,184	78,365	4.0
EBITDA	480,637	468,827	△11,809	△2.5
Operating profit	148,204	110,863	△37,340	△25.2
Ordinary profit	148,286	138,183	△10,102	△6.8
Profit attributable to owners of parent	93,128	88,202	△4,925	△5.3

With the aim of realizing our mission of "Create many 'good life' for others with technology and heart.", we have established a vision of "Create society where comfortable life circulates.". Based on this vision, we develop systems and applications to resolve various issues in the real estate business and the real estate market, and offer these systems as SaaS, a subscription-based service. Through this, we are developing businesses that support digital transformation (DX) in the real estate business.

During the third quarter of the current consolidated cumulative period, We have focused our efforts on introducing our SaaS to relatively large enterprise companies whose core business is real estate rental management. As the scale of customers increases, the implementation support projects that make up solution sales tend to have more complex requirements, larger project sizes, and longer periods. As a result, solution sales have decreased compared to the same period of the previous year. On the other hand, the ARPU for SaaS continues to rise due to the introduction of our SaaS to enterprise companies and up-selling/cross-selling to existing customers. As a result, subscription sales, centered on SaaS monthly usage fee income, remained strong.

As a result, sales were 2,051,184 thousand yen (up 4.0% year-over-year), an increase of 78,365 thousand yen from the same period last year. The number of subscription customers reached 1,507 as of the end of the third quarter (1,492 in the same period of the previous year), and the ARPU (\*1 & \*2) in December was approximately 136,000 yen (130,100 yen in the same period of the previous year).

\*1 : "the average revenue per user" Current month subscription sales is divided by the number of subscription customers for the current month, and the figures are rounded down to the nearest 100 yen.

\*2 : Recurring sales based on the operation support contract after the introduction of SaaS will be presented as "subscription sales" instead of "solution sales" from the fiscal year ending March 31, 2024. In accordance with this change, the average average revenue per user for past fiscal years has been recalculated based on the same policy.

The breakdown of net sales is as follows.

Item details	Nine months ended December 31, 2022		Nine months ended December 31, 2023		Year-on-year change	
	Sales (thousands of yen)	Percentage of total	Sales (thousands of yen)	Percentage of total	Difference (thousand yen)	Percentage change (%)
Subscription (Note 1)	1,675,477	84.9	1,809,564	88.2	134,086	8.0
Solution (Note 2)	297,341	15.1	241,620	11.8	△55,721	△18.7
Total	1,972,819	100.0	2,051,184	100.0	78,365	4.0

(Note 1). Subscription: Revenue earned continuously on a monthly basis unless customers apply for cancellation, including monthly charges for SaaS service and Recurring sales based on the operation support contract after the introduction of SaaS. They are our Monthly Recurring Revenue (MRR).

(Note 2). Solutions : Revenue earned from other services, including fees for initial setting, system installation and operation support on spot, commissioned development of system, and sale or introduction of other companies' services as an agency.

(Note 3). Recurring sales based on the operation support contract after the introduction of SaaS will be presented as "subscription sales" instead of "solution sales" from the fiscal year ending March 31, 2024. In accordance with this change, Sales figures for past years have also been rearranged based on the same policy.

We conduct transactions denominated in US dollars with vendors that provide IaaS (Infrastructure as a Service), which is the service infrastructure platform for operating our SaaS, and usage fees have increased due to the recent depreciation of the yen. In addition, expanded our human capital investment, focusing on hiring new graduates. And also, outsourcing costs to partner companies increased as the implementation support project grew larger. As a result, the cost of sales was 872,616 thousand yen (up 8.9% year-over-year).

By expanding our marketing, sales and support systems through active hiring of new graduates, investments in human capital have increased. As a result, selling, general and administrative expenses amounted to 1,067,704 thousand yen (up 4.3% year-over-year).

As a result, EBITDA for the quarter was 468,827 thousand yen (down 2.5% year-over-year), a decrease of 11,809 thousand yen from the same period last year. Operating profit was 110,863 thousand yen (down 25.2% year-over-year), a decrease of 37,340 thousand yen.

In addition, forward exchange contracts are used to reduce foreign exchange risks associated with transactions denominated in U.S. dollars, and the recent depreciation of the yen resulted in foreign exchange gains related to these contracts as non-operating income. As a result, ordinary profit was 138,183 thousand yen (down 6.8% year-on-year), a decrease of 10,102 thousand yen.

Since the Group's reporting segment is the single segment of the "Cloud Solution Business," segment performance is omitted.

## (2) Financial Position

### ① Assets

The Assets as of the end of the third quarter were 2,464,947 thousand yen, an increase of 107,888 thousand yen from the end of the previous consolidated fiscal year.

The Current Assets balance was 910,836 thousand yen, a decrease of 16,876 thousand yen from the end of the previous consolidated fiscal year. This is attributable to a decrease in cash and deposits of 75,676 thousand yen.

The balance of Non-Current Assets increased by 124,764 thousand yen from the end of the previous consolidated fiscal year to 1,554,110 thousand yen. The main factors behind this increase were an increase of 108,563 thousand yen in software.

### ② Liabilities

Total liabilities at the end of the third quarter were 576,156 thousand yen, an increase of 54,192 thousand yen from the end of the previous consolidated fiscal year.

The balance of current liabilities was 573,346 thousand yen, an increase of 54,192 thousand yen from the end of the previous consolidated fiscal year. The main factors behind the increase were a increase of 101,572 thousand yen increase in advances received due to increased subscription sales, etc..

The balance of long-term liabilities was 2,809 thousand yen, unchanged from the end of the previous consolidated fiscal year.

### ③ Net assets

The balance of net assets at the end of the third quarter of were 1,888,790 thousand yen, an increase of 53,695 thousand yen from the end of the previous consolidated fiscal year. This is attributable to an increase of 88,202 thousand yen due to the recording of Net income attributable to the shareholders of the parent company, and a decrease in retained earnings of 34,507 thousand yen due to the implementation of dividends.

#### ④ Cash Flow

The balance of cash and cash equivalents as of the end of the third quarter of the current consolidated fiscal year was 731,294 thousand yen, a decrease of 75,676 thousand yen from the end of the previous consolidated fiscal year. Cash flows and their major factors are as follows.

##### (Cash flows from operating activities)

Net cash provided by operating activities was 452,099 thousand yen, (416,922 thousand yen in the same period of the previous year). The main sources of income are depreciation of 357,963 thousand yen, profit before income taxes of 138,183 thousand yen. The main expenditure factors were Income taxes paid of 88,747 thousand yen.

##### (Cash flows from investing activities)

Net cash used in investing activities was 494,701 thousand yen, (377,793 thousand yen in the same period of the previous year). The main expenditure was 482,700 thousand yen for purchase of intangible assets.

##### (Cash flows from financing activities)

Net cash used in financing activities was 34,476 thousand yen, (34,371 thousand yen in the same period of the previous year). Cash dividends paid amounted to 34,476 thousand yen.

### (3) Outlook

Consolidated Forecast for the fiscal year ending March 31, 2024 has remained unchanged from the figures published on May 11, 2023.

The Group's consolidated business outlook for the fiscal year ending March 2024 is as follows.

Net Sales:	2,950 million yen (+9.4% YOY)
Operating profit:	300 million yen (+28.1% YOY)
Ordinary profit:	308 million yen (+30.4% YOY)
Profit attributable to owners of parent:	204 million yen (+29.3% YOY)



## 2. Quarterly Consolidated Financial Statements and Major Notes

### (1) Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	806,971	731,294
Notes and accounts receivable - trade, and contract assets	58,496	39,089
Work in process	11,827	56,696
Prepaid expenses	49,114	57,840
Forward exchange contracts	1,248	9,178
Other	1,560	18,567
Allowance for doubtful accounts	△1,507	△1,831
Total current assets	927,712	910,836
Non-current assets		
Property, plant and equipment		
Facilities attached to buildings	56,565	56,565
Accumulated depreciation	△43,733	△45,242
Facilities attached to buildings, net	12,832	11,323
Tools, furniture and fixtures	167,236	168,431
Accumulated depreciation	△139,390	△137,018
Tools, furniture and fixtures, net	27,846	31,413
Construction in progress	-	424
Total property, plant and equipment	40,678	43,161
Intangible assets		
Trademark right	-	1,077
Software	1,072,452	1,181,016
Software in progress	140,318	169,175
Total intangible assets	1,212,771	1,351,268
Investments and other assets		
Golf club membership	42,000	42,000
Leasehold and guarantee deposits	74,976	73,522
Long-term prepaid expenses	33,568	33,003
Deferred tax assets	25,351	11,153
Total investments and other assets	175,896	159,680
Total non-current assets	1,429,346	1,554,110
Total assets	2,357,059	2,464,947

(Thousands of yen)

As of March 31, 2023      As of December 31, 2023

Liabilities		
Current liabilities		
Accounts payable - other	104,154	127,733
Income taxes payable	60,401	18,513
Advances received	257,320	358,892
Deposits received	12,506	26,915
Provision for bonuses	48,731	15,028
Other	36,039	26,263
<b>Total current liabilities</b>	<b>519,154</b>	<b>573,346</b>
Non-current liabilities		
Guarantee Deposited	2,809	2,809
<b>Total non-current liabilities</b>	<b>2,809</b>	<b>2,809</b>
<b>Total liabilities</b>	<b>521,964</b>	<b>576,156</b>
Net assets		
Shareholders' equity		
Share capital	628,411	628,411
Capital surplus	718,179	718,179
Retained earnings	627,104	680,800
Treasury shares	△ 138,600	△ 138,600
<b>Total shareholders' equity</b>	<b>1,835,094</b>	<b>1,888,790</b>
<b>Total net assets</b>	<b>1,835,094</b>	<b>1,888,790</b>
<b>Total liabilities and net assets</b>	<b>2,357,059</b>	<b>2,464,947</b>

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

(Quarterly Consolidated Statement of Income)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	1,972,819	2,051,184
Cost of sales	800,933	872,616
Gross profit	1,171,886	1,178,568
Selling, general and administrative expenses	1,023,681	1,067,704
Operating profit	148,204	110,863
Non-operating income		
Interest income	5	6
Foreign exchange gains	-	26,910
Miscellaneous income	-	188
Commission income	2,738	389
Gain on forfeiture of unclaimed dividends	309	277
Total non-operating income	3,053	27,772
Non-operating expenses		
Interest expenses	3	0
Commission expenses	452	452
Foreign exchange losses	2,515	-
Total non-operating expenses	2,970	452
Ordinary profit	148,286	138,183
Extraordinary losses		
Loss on retirement of non-current assets	858	0
Total extraordinary losses	858	0
Profit before income taxes	147,428	138,183
Income taxes - current	38,296	35,783
Income taxes - deferred	16,003	14,197
Total income taxes	54,300	49,981
Profit	93,128	88,202
Profit attributable to owners of parent	93,128	88,202

(Quarterly Consolidated Statement of Comprehensive Income)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	93,128	88,202
Comprehensive income	93,128	88,202
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	93,128	88,202

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

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	147,428	138,183
Depreciation	332,432	357,963
Loss on retirement of non-current assets	858	0
Foreign exchange losses (gains)	2,515	△9,332
Increase (decrease) in allowance for doubtful accounts	△236	324
Increase (decrease) in provision for bonuses	△32,908	△33,703
Interest and dividend income	△5	△6
Interest expenses	3	0
Decrease (increase) in trade receivables	21,984	19,406
Decrease (increase) in inventories	△22,135	△44,868
Increase (decrease) in accounts payable - other	34,468	19,141
Increase (decrease) in advances received	21,913	101,572
Increase (decrease) in accrued consumption taxes	△15,870	△10,236
Increase (decrease) in guarantee deposits received	△60	—
Other, net	5,033	2,394
<b>Subtotal</b>	<b>495,423</b>	<b>540,840</b>
Interest and dividends received	5	6
Interest paid	△3	△0
Income taxes paid	△78,501	△88,747
<b>Net cash provided by (used in) operating activities</b>	<b>416,922</b>	<b>452,099</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	△5,663	△11,914
Purchase of intangible assets	△372,224	△482,700
Proceeds from refund of leasehold and guarantee deposits	94	—
Payments of leasehold and guarantee deposits	—	△87
<b>Net cash provided by (used in) investing activities</b>	<b>△377,793</b>	<b>△494,701</b>
<b>Cash flows from financing activities</b>		
Dividends paid	△34,371	△34,476
<b>Net cash provided by (used in) financing activities</b>	<b>△34,371</b>	<b>△34,476</b>
Effect of exchange rate change on cash and cash equivalents	△2,515	1,401
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,241</b>	<b>△75,676</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>731,644</b>	<b>806,971</b>
<b>Cash and cash equivalents at end of period</b>	<b>733,886</b>	<b>731,294</b>

#### (4) Notes to Quarterly Consolidated Financial Statements

(Notes on Assumptions of Continuing Enterprises)

There are no applicable items.

(Notes in Cases of Significant Changes in the Amount of Shareholders' Equity)

There are no applicable items.

(Changes in Significant Subsidiaries during the Year to Date of Consolidation)

There are no applicable items.

(Application of Accounting Procedures Specific to Preparation of Quarterly Consolidated Financial Statements)

There are no applicable items.

(Change in Accounting Policy)

There are no applicable items.