

en Japan Inc.



3rd Quarter FY March 2024 Earnings Announcement [Japan GAAP] (Consolidated)

February 8, 2024

Company Name	en Japan Inc.	Listing Exchanges	Prime Section of the Tokyo Stock Exchange
Stock Code	4849	URL	http://corp.en-japan.com/
Representative (Title)	President	(Name)	Takatsugu Suzuki
Contact (Title)	Administration Division Director	(Name)	Yasumasa Takahashi Telephone +81-03-3342-4506
Scheduled Date for Submission of Quarterly Report			February 8, 2024
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 2024 Operating Results for First Nine Months (From April 1, 2023 to December 31, 2023)

(1) Consolidated Operating Results (year to date) (Percentages indicate 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 3/24 3rd Qtrr	49,734	0.3	2,544	-35.5	2,822	-32.4	2,332	-19.6
FYE 3/23 3rd Qtrr	49,564	27.4	3,944	-45.6	4,175	-44.2	2,899	-42.4

(Note) Comprehensive income FYE 3/24 3rd Qtrr 3,172 million yen (-25.0%) FYE 3/23 3rd Qtrr 4,229 million yen (-24.0%)

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 3/24 3rd Qtrr	56.83	55.75
FYE 3/23 3rd Qtrr	65.10	64.37

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio
	Million yen	Million yen	%
FYE 3/24 3rd Qtrr	46,475	30,649	65.1
FYE 3/23	51,967	35,125	66.8

(Reference) Core capital FYE 3/24 3rd Qtrr 30,273 million yen FYE 3/23 34,736 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 3/23	-	0.00	-	70.10	70.10
FYE 3/24	-	0.00	-		
FYE 3/24 (projected)				70.10	70.10

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

3. FY Ending March 2024 Projected Consolidated Operating Results (April 1, 2023 – March 31, 2024)

(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	73,000	7.8	4,600	8.2	4,776	17.3	3,270	21.3	74.00

(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) None
 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: None
 b. Changes in accounting policy other than "a." None
 c. Changes in accounting estimates: None
 d. Restatement due to correction: None
- (4) Number of shares issued (common shares)
 a. Number of shares issued at the end of the period (including treasury shares)
 FYE 3/24 3rd Qtr 49,716,000 shares FYE 3/23 49,716,000 shares
 b. Number of shares of treasury shares at the end of the period
 FYE 3/24 3rd Qtr 8,892,973 shares FYE 3/23 7,190,949 shares
 c. Average number of shares issued during the period (Quarter Year-to-Date)
 FYE 3/24 3rd Qtr 41,038,457 shares FYE 3/23 3rd Qtr 44,545,323 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 forecasts, other special notes

(Cautionary Notes on Forward-Looking Statements)

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.

Table of Contents for Attachments

1. Quarterly Consolidated Financial Statements and Key Notes	- 2 -
(1) Quarterly Consolidated Balance Sheets	- 2 -
(2) Quarterly Consolidated Statements of Income and Quarterly Consolidated Statements of Comprehensive Income	- 4 -
(3) Notes Regarding Quarterly Consolidated Financial Statements.....	- 6 -
(Notes Relating to the Going Concern Assumption).....	- 6 -
(Adoption of Special Accounting Treatment Used in Preparation of the Quarterly Consolidated Financial Statements) -	- 6 -
(Notes on Significant Changes to Shareholders' Equity).....	- 6 -
(Segment Information).....	- 6 -

* The Company plans to post supplementary materials to explain its financial results on its website today.

Please refer to the following URL.

<https://corp.en-japan.com/en/IR/>

1. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Unit: Million yen)

	Previous Fiscal Year (As of March 31, 2023)	Third Quarter of Current Fiscal Year (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	21,876	18,887
Notes and accounts receivable – trade, and contract assets	6,467	5,762
Securities	2,000	2,000
Other	5,917	2,138
Allowance for doubtful accounts	-277	-309
Total current assets	35,983	28,478
Non-current assets		
Property, plant and equipment	619	1,119
Intangible assets		
Software	4,804	6,160
Goodwill	2,134	2,016
Other	1,098	951
Total intangible assets	8,036	9,128
Investments and other assets		
Investment securities	3,765	3,660
Shares of subsidiaries and associates	181	540
Other	3,980	3,901
Allowance for doubtful accounts	-599	-353
Total investments and other assets	7,328	7,748
Total non-current assets	15,984	17,996
Total assets	51,967	46,475
Liabilities		
Current liabilities		
Accounts payable - trade	962	1,219
Accounts payable - other	6,204	3,368
Income taxes payable	595	892
Provision for bonuses	1,170	654
Provision for directors' bonuses	47	36
Advances received	4,455	4,849
Other	1,444	1,989
Total current liabilities	14,879	13,009
Non-current liabilities		
Retirement benefit liability	130	233
Provision for share benefits	473	548
Asset retirement obligations	207	207
Other	1,151	1,826
Total non-current liabilities	1,962	2,815
Total liabilities	16,841	15,825

(Unit: Million yen)

	Previous Fiscal Year (As of March 31, 2023)	Third Quarter of Current Fiscal Year (As of December 31, 2023)
Net assets		
Shareholders' equity		
Capital stock	1,194	1,194
Capital surplus	898	490
Retained earnings	42,529	41,832
Treasury shares	-10,880	-14,999
Total shareholders' equity	33,742	28,518
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	140	193
Foreign currency translation adjustment	853	1,561
Total accumulated other comprehensive income	993	1,754
Subscription rights to shares	213	366
Non-controlling interests	175	9
Total net assets	35,125	30,649
Total liabilities and net assets	51,967	46,475

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

Quarterly Consolidated Statements of Income

Cumulative Third Quarter

(Unit: Million yen)

	First Nine Months of the Previous Fiscal Year (From April 1, 2022, to December 31, 2022)	First Nine Months of the Current Fiscal Year (From April 1, 2023, to December 31, 2023)
Net Sales	49,564	49,734
Cost of sales	12,127	10,303
Gross profit	37,436	39,430
Selling, general and administrative expenses	33,492	36,886
Operating Income	3,944	2,544
Non-operating income		
Interest income	119	189
Dividend income	1	0
Share of profit of entities accounted for using equity method	-	94
Foreign exchange gains	48	53
Reversal of allowance for doubtful accounts	1	-
Gain on investments in partnership	41	-
Other	25	41
Total non-operating income	238	379
Non-operating expenses		
Interest expenses	2	74
Loss on investments in partnership	-	22
Other	4	4
Total non-operating expenses	6	101
Ordinary Income	4,175	2,822
Extraordinary income		
Gain on sales of non-current assets	0	0
Gain on sales of investment securities	385	67
Gain on sales of shares of subsidiaries and associates	-	111
Gain on sale of business	-	803
Total extraordinary income	385	983
Extraordinary losses		
Loss on sales of non-current assets	2	0
Loss on retirement of non-current assets	7	16
Loss on valuation of investment securities	186	6
Special investigation cost	-	295
Total of extraordinary losses	195	318
Profit before income taxes	4,366	3,487
Income taxes-current	1,449	1,103
Total income taxes	1,449	1,103
Profit	2,916	2,384
Profit attributable to non-controlling interests	16	51
Profit Attributable to Owners of Parent	2,899	2,332

Quarterly Consolidated Statements of Comprehensive Income

Cumulative Third Quarter

(Unit: Million yen)

	First Nine Months of the Previous Fiscal Year (From April 1, 2022, to December 31, 2022)	First Nine Months of the Current Fiscal Year (From April 1, 2023, to December 31, 2023)
Profit	2,916	2,384
Other comprehensive income		
Valuation difference on available-for-sale securities	38	53
Foreign currency translation adjustment	1,275	734
Total other comprehensive income	1,313	788
Comprehensive income	4,229	3,172
(Breakdown)		
Comprehensive income attributable to owners of parent	4,144	3,093
Comprehensive income attributable to non-controlling interests	84	78

(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 ¥4,130 million during the first nine months of the fiscal year under review to ¥14,999 million at the end of the third quarter of the fiscal year under review.

(Segment Information)

[Segment Information]

I First nine months of the previous fiscal year (From April 1, 2022 to December 31, 2022)

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

II First nine months of the fiscal year under review (From April 1, 2023 to December 31, 2023)

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