

en Japan Inc.



## 2nd Quarter FY March 2024 Earnings Announcement [Japan GAAP] (Consolidated)

November 9, 2023

Company Name	en Japan Inc.	Exchange Listed On	Prime Market of the Tokyo Stock Exchange
Stock Code	4849	URL	<a href="http://corp.en-japan.com/">http://corp.en-japan.com/</a>
Representative (Title)	President	(Name)	Takatsugu Suzuki
Contact (Title)	Administration Division Director	(Name)	Yasumasa Takahashi Telephone +81-3-3342-4506
Scheduled Date for Submission of Quarterly Report			November 9, 2023
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 First Half Operating Results (From April 1, 2023, to September 30, 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 2nd Qtr	33,079	2.1	1,081	-60.0	1,344	-54.3	775	-58.5
FYE 3/23 2nd Qtr	32,404	29.4	2,700	-43.0	2,941	-38.9	1,865	-42.4

(Note) Comprehensive income FYE 3/24 2nd Qtr 1,466 million yen (-52.0%) FYE 3/23 2nd Qtr 3,055 million yen (-16.5%)

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 3/24 2nd Qtr	18.84	18.49
FYE 3/23 2nd Qtr	41.59	41.24

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio
	Million yen	Million yen	%
FYE 3/24 2nd Qtr	44,780	28,898	63.8
FYE 3/23	51,967	35,125	66.8

(Reference) Core capital FYE 3/24 2nd Qtr 28,580 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 (From April 1, 2023 to March 31, 2024)

(Percentages indicate 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 share)  
 a. Number of shares issued at the end of the period (including treasury shares)  
 FYE 3/24 2ndQtr 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 2nd Qtr 8,895,073 shares FYE 3/23 7,190,949 shares  
 c. Average number of shares issued during the period (Quarter Year-to-Date)  
 FYE 3/24 2nd Qtr 41,147,188 shares FYE 3/23 2nd Qtr 44,855,982 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.

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\* 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/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)	Second Quarter of Current Fiscal Year (As of September 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	21,876	18,096
Notes and accounts receivable - trade and contract assets	6,467	5,953
Securities	2,000	2,000
Other	5,917	1,764
Allowance for doubtful accounts	-277	-299
Total current assets	35,983	27,514
Non-current assets		
Property, plant and equipment	619	644
Intangible assets		
Software	4,804	5,656
Goodwill	2,134	2,079
Other	1,098	1,144
Total intangible assets	8,036	8,880
Investments and other assets		
Investment securities	3,765	3,658
Shares of subsidiaries and associates	181	515
Other	3,980	3,914
Allowance for doubtful accounts	-599	-347
Total investments and other assets	7,328	7,741
Total non-current assets	15,984	17,266
Total assets	51,967	44,780
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	962	640
Accounts payable - other	6,204	4,500
Income taxes payable	595	626
Provision for bonuses	1,170	1,191
Provision for directors' bonuses	47	24
Advances received	4,455	4,994
Other	1,444	1,637
Total current liabilities	14,879	13,616
Non-current liabilities		
Retirement benefit liability	130	215
Provision for share benefits	473	521
Asset retirement obligations	207	207
Other	1,151	1,321
Total non-current liabilities	1,962	2,265
Total liabilities	16,841	15,881
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,194	1,194
Capital surplus	898	491
Retained earnings	42,529	40,275
Treasury shares	-10,880	-15,001
Total shareholders' equity	33,742	26,959
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	140	242
Foreign currency translation adjustment	853	1,378
Total accumulated other comprehensive income	993	1,620
Subscription rights to shares	213	308
Non-controlling interests	175	9
Total net assets	35,125	28,898
Total liabilities and net assets	51,967	44,780

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

## Quarterly Consolidated Statements of Income

First Half

(Unit: Million yen)

	First Half of the Previous Fiscal Year (From April 1, 2022, to September 30, 2022)	First Half of the Current Fiscal Year (From April 1, 2023, to September 30, 2023)
Net Sales	32,404	33,079
Cost of sales	7,912	6,949
Gross profit	24,491	26,130
Selling, general and administrative expenses	21,790	25,049
Operating Income	2,700	1,081
Non-operating income		
Interest income	74	117
Dividend income	-	0
Share of profit of entities accounted for using equity method	-	69
Foreign exchange gains	126	104
Gain on investments in partnership	30	0
Other	13	27
Total non-operating income	244	319
Non-operating expenses		
Interest expenses	2	53
Provision of allowance for doubtful accounts	1	-
Other	0	3
Total non-operating expenses	4	56
Ordinary Income	2,941	1,344
Extraordinary income		
Gain on sales of non-current assets	-	0
Gain on sales of investment securities	103	67
Gain on sales of shares of subsidiaries and associates	-	111
Total extraordinary income	103	179
Extraordinary losses		
Loss on sales of non-current assets	-	0
Loss on retirement of non-current assets	0	15
Loss on valuation of investment securities	186	6
Special investigation cost	-	295
Total of extraordinary losses	186	317
Profit before income taxes	2,858	1,206
Income taxes-current	963	380
Total income taxes	963	380
Profit	1,894	826
Profit attributable to non-controlling interests	28	51
Profit attributable to owners of parent	1,865	775

Quarterly Consolidated Statements of Comprehensive Income

First Half

(Unit: Million yen)

	First Half of the Previous Fiscal Year (From April 1, 2022, to September 30, 2022)	First Half of the Current Fiscal Year (From April 1, 2023, to September 30, 2023)
Profit	1,894	826
Other comprehensive income		
Valuation difference on available-for-sale securities	233	102
Foreign currency translation adjustment	927	537
Total other comprehensive income	1,161	640
Comprehensive income	3,055	1,466
(Breakdown)		
Comprehensive income attributable to owners of parent	2,961	1,402
Comprehensive income attributable to non-controlling interests	93	64

## (3) Quarterly Consolidated Statements of Cash Flows

(Unit: Million yen)

	First Half of the Previous Fiscal Year (From April 1, 2022, to September 30, 2022)	First Half of the Current Fiscal Year (From April 1, 2023, to September 30, 2023)
Cash flows from operating activities		
Profit before income taxes	2,858	1,206
Depreciation	899	1,130
Amortization of goodwill	179	187
Bad debts expenses	20	11
Special investigation cost	-	295
Increase (decrease) in allowance for doubtful accounts	153	13
Increase (decrease) in provision for bonuses	26	21
Increase (decrease) in provision for directors' bonuses	-27	-23
Interest and dividend income	-74	-118
Interest expenses	2	53
Foreign exchange losses (gains)	-30	-41
Share of (profit) loss of entities accounted for using equity method	-	-69
Loss (gain) on investments in partnership	-30	-0
Loss (gain) on sales of investment securities	-103	-67
Loss (gain) on valuation of investment securities	186	6
Loss (gain) on sales of shares of subsidiaries and associates	-	-111
Loss (gain) on sales of non-current assets	-	-0
Loss on retirement of non-current assets	0	15
Decrease (increase) in notes and accounts receivable – trade	-401	771
Increase (decrease) in notes and accounts payable – trade	226	-375
Increase (decrease) in accounts payable – other	449	-1,796
Increase (decrease) in advances received	559	477
Other	-309	143
Subtotal	4,583	1,728
Interest and dividend income received	91	68
Interest expenses paid	-2	-53
Income taxes paid	-1,797	-451
Income taxes refund	9	499
Special investigation costs paid	-	-295
Cash flows from operating activities	2,885	1,496

(Unit: Million yen)

	First Half of the Previous Fiscal Year (From April 1, 2022, to September 30, 2022)	First Half of the Current Fiscal Year (From April 1, 2023, to September 30, 2023)
Cash flows from investing activities		
Payments into time deposits	-476	-302
Proceeds from withdrawal of time deposits	131	864
Purchase of property, plant and equipment	-85	-60
Proceeds from sales of property, plant and equipment	-	0
Purchase of intangible assets	-1,104	-1,934
Purchase of investment securities	-145	-6
Proceeds from sales and redemption of investment securities	126	168
Payment for lease and guarantee deposits	-14	-0
Proceeds from collection of lease and guarantee deposits	2	10
Purchase of insurance funds	-	-3
Purchase of shares of subsidiaries and associates	-	-22
Sales of shares of subsidiaries resulting in change in scope of consolidation	-	-160
Other payments	-	-2
Other proceeds	0	0
Cash flows from investing activities	-1,565	-1,447
Cash flows from financing activities		
Purchase of treasury shares	-1,213	-4,130
Cash dividends paid	-3,305	-3,143
Dividends paid to non-controlling interests	-62	-
Purchase of shares of subsidiaries that do not result in change in scope of consolidation	-	-581
Other proceeds	0	0
Cash flows from financing activities	-4,581	-7,855
Effect of exchange rate change on cash and cash equivalents	358	299
Net increase (decrease) in cash and cash equivalents	-2,904	-7,506
Cash and cash equivalents at beginning of period	33,389	24,384
Cash and cash equivalents at end of period	30,485	16,878



#### (4) 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 first six months of the period. 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)

In accordance with Article 370 of the Companies Act and Article 25 of the Articles of Incorporation of the Company, the Board of Directors of the Company resolved in writing, effective August 10, 2022, to repurchase treasury shares pursuant to Article 156 of the Act, as applied by replacing terms pursuant to Article 165, paragraph 3 of the Act. As a result, the Company's treasury shares increased by ¥4,130 million in the first half of the fiscal year under review to ¥15,001 million at the end of the second quarter of the fiscal year under review.

(Segment Information)

[Segment Information]

I First half of the previous fiscal year (April 1, 2022, to September 30, 2022)

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

II First half of the fiscal year under review (from April 1, 2023, to September 30, 2023)

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