



**en Japan Inc.**  
**Fiscal Year Ended March 31, 2021, Earnings Announcement**  
**[under Japanese GAAP] (Consolidated)**

**May 13, 2021**

Company Name	en Japan Inc.	Listing Exchanges	First Section of the Tokyo Stock Exchange
Stock Code	4849	URL	<a href="https://corp.en-japan.com/">https://corp.en-japan.com/</a>
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Contact (Title)	Administration Division Director	(Name)	Tomoki Tamai
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Regular General Shareholders' Meeting			June 24, 2021
Scheduled date to begin dividend payments			June 25, 2021
Scheduled date for submission of Securities Report			June 25, 2021
Preparation of Summary Supplementary Explanatory Materials			Yes
Earnings Briefing			Yes (for analysts and institutional investors)

(Figures rounded down to nearest million yen)

1. FYE 03/2021 Consolidated Earnings (From April 1, 2020 to March 31, 2021)

(1) Consolidated Operating Results (Percentages indicate percent change from the prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 03/2021	42,725	-24.8	7,771	-29.4	7,939	-28.2	3,502	-50.9
FYE 03/2020	56,848	16.7	11,005	-5.6	11,057	-6.6	7,125	-12.5

(Note) Comprehensive income FYE03/2021: 3,357 million yen (-52.3 %) FYE03/2020: 7,038 million yen (-15.0 %)

	EPS	Fully Diluted EPS	ROE	Ordinary Income to Total Assets	Operating Income to Sales
	Yen	Yen	%	%	%
FYE 03/2021	78.19	77.96	9.5	16.1	18.2
FYE 03/2020	156.23	155.77	19.6	21.7	19.4

(2) Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 03/2021	46,644	36,856	77.8	810.66
FYE 03/2020	51,896	38,648	72.8	834.74

(Reference) Equity FYE 03/2021 36,311 million yen FYE 03/2020 37,783 million yen

(3) Consolidated Cash Flows

	Net Cash Provided by (Used in) Operating Activities	Net Cash Provided by (Used in) Investing Activities	Net Cash Provided by (Used in) Financing Activities	Cash and Cash Equivalents at End of Period
	Million yen	Million yen	Million yen	Million yen
FYE 03/2021	5,652	-2,150	-4,983	26,835
FYE 03/2020	8,044	-4,127	-5,036	28,766

## 2. Dividends

	Dividend per Share					Total Dividend Amount (Full year)	Dividend Payout Ratio (Consolidated)	Dividend to Net Asset Ratio (Consolidated)
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Year End	Full-Year Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
FYE 03//2020	–	0.00	–	74.80	74.80	3,565	47.9	9.4
FYE 03/2021	–	0.00	–	37.10	37.10	1,750	47.5	4.5
FYE 03/2022 (projected)	–	0.00	–	72.50	72.50		–	

## 3. FY Ending March 2022 Projected Consolidated Operating Results (From April 1, 2021 to March 31, 2022) (Percentage indicates year on year percentage changes for both full-year and quarterly results.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		EPS
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
2nd Qtr (cumulative)	23,818	15.3	4,122	41.3	4,128	37.8	2,825	82.3	63.08
full year	51,000	19.4	10,000	28.7	9,999	26.0	6,842	95.4	152.77

### \*Notes

(1) Change in major subsidiaries during the fiscal year under review (Change in specific subsidiaries that will accompany a change in scope of consolidation): No

Addition (Name): None Exclusion (Name) None

(2) Changes in accounting policy, changes in accounting estimates, or restatement due to correction

- a. Changes in accounting policy accompanying amendment of accounting principles: No
- b. Changes in accounting policy other than “a.”: No
- c. Changes in accounting estimates: No
- d. Restatement due to correction: No

(3) Number of shares issued (common share)

a. Number of shares issued at fiscal year-end (including treasury shares)

FYE 03/2021 49,716,000 shares FYE 03/2020 49,716,000 shares

b. Number of shares of treasury share at fiscal year-end

FYE 03/2021 4,923,672 shares FYE 03/2020 4,451,919 shares

c. Average number of shares issued during the period

FYE 03/2021 44,791,225 shares FYE 03/2020 45,610,589 shares

(Reference) Summary of Non-Consolidated Operating Results

1. FYE 03/2021 Non-Consolidated Earnings (From April 1, 2020 to March 31, 2021)

(1) Non-Consolidated Operating Results (Percentages indicate percent change from the prior fiscal year)

	Net Sales		Operating Income		Ordinary Income		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FYE 03/2021	26,919	-28.9	6,792	-30.1	6,763	-30.6	3,082	-52.6
FYE 03/2020	37,852	3.6	9,716	-4.6	9,748	-7.8	6,503	-12.6

	EPS		Fully Diluted EPS	
	Yen		Yen	
FYE 03/2021	68.83		68.62	
FYE 03/2020	142.59		142.16	

(2) Non-Consolidated Financial Position

	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
FYE 03/2021	45,565	36,698	80.2	816.26
FYE 03/2020	47,625	38,051	79.6	837.25

(Reference) Equity FYE 03/2021 36,562 million yen FYE 03/2020 37,897 million yen

[This Earnings Announcement [under Japanese GAAP] is outside the scope of audits by certified public accountants or an audit corporation.]

[Explanation regarding appropriate use of operating results projections and other special notes]

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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## 1. Overview of Operating Results

### (1) Overview of Operating Results for the Current Fiscal Year

#### 1) Operating Results for the Fiscal Year ended March 31, 2021

Net sales in the fiscal year ended March 31, 2021, decreased to ¥42,725 million (down 24.8% year on year) as they were significantly affected by declining hiring demand from client companies due to the global spread of COVID-19. Total costs decreased to ¥34,953 million (down 23.8% year on year) due primarily to a reduction in variable advertising expenses as a result of the smaller number of job openings in addition to a keener focus on keeping outsourcing-related expenses and other costs down.

As a result, the Company recorded operating income of ¥7,771 million (down 29.4% year on year) and ordinary income of ¥7,939 million (down 28.2% year on year). Profit attributable to owners of parent was ¥3,502 million (down 50.9% year on year) due in part to an impairment loss on goodwill related to a consolidated subsidiary, JapanWork, an impairment loss on non-current assets, such as buildings, following our decision to close offices, and a loss on valuation of investment securities of unlisted stocks.

(Unit: Million yen)

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)	Change	Percent change (%)
Net sales	56,848	42,725	-14,123	-24.80%
Operating income	11,005	7,771	-3,233	-29.40%
Ordinary income	11,057	7,939	-3,118	-28.20%
Profit attributable to owners of parent	7,125	3,502	-3,623	-50.90%

#### 2) Summary of Major Businesses (Managerial accounting basis)

(Unit: Million yen)

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)	Change	Percent change (%)
Net sales				
Domestic Job Board	32,126	21,774	-10,352	-32.2%%
Domestic Permanent Recruitment	11,878	9,385	-2,493	-21.0%%
Overseas	10,745	8,011	-2,733	-25.4%%
HR-Tech	475	1,215	+739	+155.7%
Other business/ Subsidiaries	2,113	2,694	+580	+27.5%

The difference between the combined net sales of each business and the consolidated net sales is attributable to the adjustment made among the businesses and consolidated adjustments.

#### (Domestic Job Board)

The number of postings on job advertisement websites in Japan dropped sharply as the spread of COVID-19 resulted in a decline in recruitment demand and a suspension of hiring. The number of job openings continued to recover at a moderate pace after bottoming out last May during the first half of the previous fiscal year. In the second fiscal half, client companies saw their performance and outlook for their business environments improve, although there were some differences between industries. This resulted in an increased hiring demand in anticipation of the next fiscal year and beyond, which spurred the recovery.

As a result, net sales of Domestic Job Board amounted to ¥21,774 million down 32.2% year on year.

#### (Domestic Permanent Recruitment)

Domestic Permanent Recruitment was affected by the declining hiring demand due to the spread of COVID-19, but experienced a smaller decrease in overall sales than did job advertisement websites in Japan. The recruitment and hiring rate of young people, or those with potential, is unlikely to return to the pre-COVID level due primarily to the strong demand from corporations looking to employ work-ready personnel. This

caused net sales to fall substantially and take a long time to recover. Net sales for recruitment of specialists and those with a high level of expertise recovered steadily without falling sharply, although this was also affected by the declining hiring demand.

As a result, net sales of Domestic Permanent Recruitment amounted to ¥9,385 million down 21.0% year on year.

#### (Overseas)

Outside Japan, the Company operates mainly in Vietnam and India. Financial results of overseas operations are accounted for three months later.

Overall, the overseas business saw its net sales hit bottom in the third quarter (from July to September 2020 local time) of the fiscal year ended March 31, 2021, and get back on a recovery track in the fourth quarter.

In Vietnam, where the operation of job advertisement websites is the primary business, net sales for the second quarter (from April to June 2020 local time) of the fiscal year ended March 31, 2021, significantly dropped due to a rapid downturn in economic activity and dwindling hiring demand. Hiring demand subsequently recovered, although at a moderate pace, as economic activity resumed in Vietnam, narrowing the quarterly decline in sales. In India, where the Company operates primarily an IT-related temporary staffing business, it remained in operation through teleworking and other means, although the business was affected by the spread of COVID-19. Net sales hit bottom in the third quarter (from July to September 2020 local time) of the fiscal year ended March 31, 2021, and got on the recovery track in the fourth quarter.

As a result of the above, net sales of overseas business amounted to ¥8,011 million down 25.4% year on year.

#### (HR-Tech)

The total number of user companies of “engage” steadily increased to 330,000 (as of March 2021). The number of job offers created via “engage” (both via fee-based and free services) steadily increased, promoting active use by client companies.

Affected by the spread of COVID-19, the number of companies using the fee-based service decreased in the first quarter of the fiscal year ended March 31, 2021, on a quarter-on-quarter basis, but began to increase in the second quarter. In March 2021, the Company launched “engage#”, a job posting site consolidating job advertisements created via “engage.” The site has been up and running with the largest number of job postings in Japan for everything from full-time positions to part-time job and intern opportunities at some 100,000 companies.

As a result of the above, net sales of HR-Tech amounted to ¥1,215 million up 155.7 % year on year.

## (2) Overview of Financial Position for the Current Fiscal Year

### Assets, Liabilities and Net Assets

#### (Assets)

Total assets in the fiscal year ended March 31, 2021 decreased by ¥5,251 million compared with the end of the previous fiscal year to ¥46,644 million.

Current assets decreased ¥3,340 million from a year earlier to ¥33,724 million. This was mainly due to decreases in cash and deposits of ¥1,706 million, and notes and accounts receivable-trade of ¥1,389 million. Non-current assets decreased ¥1,910 million to ¥12,920 million. This was primarily attributable to decreases in goodwill of ¥954 million, and investment securities of ¥672 million.

#### (Liabilities)

Total liabilities were ¥9,788 million, a decrease of ¥3,459 million from the end of the previous fiscal year. Current liabilities decreased ¥3,501 million to ¥8,260 million. This mainly stemmed from decreases in accounts payable-other of ¥1,743 million and income taxes payable of ¥927 million. Non-current liabilities rose ¥42 million to ¥1,527 million. This was mainly due to increases in long-term accounts payable of ¥168 million.

#### (Net Assets)

Total net assets were ¥36,856 million, down ¥1,792 million from the end of the previous fiscal year. This was mainly due to decreases in retained earnings of ¥189 million, capital surplus of ¥134 million, and increases in treasury shares of ¥975 million.

We do not create asset information by segment since the Group does not use such information on each segment for resource allocation and performance evaluation.

(3) Overview of Cash Flows for the Current Fiscal Year

Cash Flow

Cash and cash equivalents in the fiscal year ended March 31, 2021 decreased ¥1,930 million from the previous fiscal year to ¥26,835 million. The status of each type of cash flow and the factors behind it are as follows.

(Net cash provided by (used in) operating activities)

Net cash provided by operating activities in the fiscal year ended March 31, 2021 was ¥5,652 million compared to the previous fiscal year of ¥8,044 million. This was due to the posting of income before income taxes of ¥5,813 million, decrease in notes and accounts receivable-trade of ¥1,232 million, and income taxes paid of ¥3,134 million.

(Net cash provided by (used in) investing activities)

Net cash used in investing activities during the fiscal year ended March 31, 2021 was ¥2,150 million compared to net cash used in investing activities of ¥4,127 million in the previous fiscal year. Major components were purchase of intangible assets of ¥1,649 million, purchase of investment securities of ¥517 million, and payments into time deposits of ¥511 million.

(Net cash provided by (used in) financing activities)

Net cash used in financing activities during the fiscal year ended March 31, 2021 amounted to ¥4,983 million compared to ¥5,036 million used in the previous fiscal year. This was primarily due to cash dividends paid of ¥3,564 million and purchase of treasury shares of ¥1,000 million.

The en-japan Group procures necessary funds mainly from operating cash flow. The Group has also concluded an overdraft facility agreement (maximum amount: 1,000 million yen) and a committed credit line (maximum amount: 5,000 million yen) with a bank. There were no outstanding borrowings as of the end of the fiscal year ended March 31, 2021.

The Company has no plans to construct any major new facilities.

#### (4) Business Outlook

##### (Medium- and Long-term Outlook)

We project that the operating environment of Japan's human resources business market to which the en-japan Group belongs will, in general, continue to see resilient hiring demand from corporations. This is against the backdrop of a structural shortage of workers caused by a decline in the working population, changes in industrial structures and other factors. While COVID-19 is expected to cause economic and recruitment activities to stall in the short run, as more people are vaccinated their lives will go back to normal, and with that, hiring demand should return to the pre-pandemic level. On top of that, changes in the way people work, such as teleworking and the promotion of digitalization at companies, are expected to spur changes in job-seekers' inclination to switch jobs as well as growth industries, etc. In light of these circumstances, the Group expects that more people will seek to change jobs across industries, which will consequently increase job mobility.

In the overseas human resources business market, both Vietnam and India, which we are focusing on, have delivered economic growth faster than that of major developed countries. Given the large population and low average age, we see high growth potential over the medium to long term. Additionally, the IT and technology markets are widely expected to grow, and the need for human resources in these areas is high. As such, we anticipate strong growth, especially of IT-related offshore development in these two countries.

In these circumstances, in addition to increasing job mobility, the Group expects diversified use and selection of its services among job seekers and the companies hiring them. With this in mind, we aim to further improve the quality of user-first services, which have been our strength, and leverage our expertise to help people find jobs or change careers, with the goal of ensuring "Success After Joining." This will enable us to make our unique and inimitable services even better as we contribute to the performance of client companies through successful recruitment and provision of an excellent workforce, with the goal of ensuring "Success After Joining."

In addition, the shift to HR-Tech services such as "engage" will enable us to efficiently provide our services to customers in regions or with enterprise sizes that were hard for us to reach in a conventional way. The number of options for job seekers will increase, and we will be able to pursue "Success After Joining" for more client companies and job seekers.

Furthermore, we intend to strengthen M&A and investment activities in DX support as well as the human resource/non-human resource services where robust growth is expected. By doing so, we will strengthen the linkage with our corporate client and job seeker database, etc., to create new businesses and look to swiftly enter and expand business in promising areas with high growth potential.

##### (Outlook for the Next Fiscal Year)

The estimated financial results for the fiscal year ending March 31, 2022, include net sales of ¥51,000 million (up 19.4% year on year), operating income of ¥10,000 million (up 28.7% year on year), ordinary income of ¥9,999 million (up 26.0%), and profit attributable to owners of parent of ¥6,842 million (up 95.4% year on year).

These estimates are based on the assumption that more people will be vaccinated against COVID-19 by September, which falls in the first fiscal half, resulting in the second-half recovery of economic activities and hiring activities in the service, retail, and other industries that have been particularly hard-hit, which will help improve our sales and profits.

With regard to costs, we will spend more aggressively on advertising than we did the previous fiscal year on pace with the recovering job market in order to attract more job seekers and increase the visibility of our services. We will also spend on variable costs, such as outsourcing expenses, as the situation demands.

#### (5) Material Events Relating to the Going Concern Assumption

The Company had no material matters to report.

## 2. Basic Approach to the Selection of Accounting Standards

It is the en-japan Group's policy, in the foreseeable future, to continue preparing its consolidated financial statements based on the Japanese accounting standard to secure the comparability of financial data over different periods and among different companies.

Concerning the adoption of International Financial Reporting Standards (IFRS), the Group will be taking appropriate measures in consideration of the domestic and international situation.



### 3. Consolidated Financial Statements and Key Notes

#### (1) Consolidated Balance Sheets

(Million yen)

	Prior Fiscal Year (As of March 31, 2020)	Current Fiscal Year (As of March 31, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	28,081	26,374
Notes and accounts receivable-trade	5,736	4,347
Securities	2,047	2,031
Work in process	22	0
Supplies	20	16
Other	1,329	1,062
Allowance for doubtful accounts	-171	-108
Total current assets	37,065	33,724
Non-current assets		
Property, plant and equipment		
Buildings	873	639
Accumulated depreciation	-510	-461
Buildings, net	362	178
Vehicles	28	36
Accumulated depreciation	-21	-18
Vehicles, net	6	18
Furniture and fixtures	1,074	1,002
Accumulated depreciation	-804	-814
Furniture and fixtures, net	269	188
Leased assets	416	447
Accumulated depreciation	-94	-222
Leased assets, net	322	225
Construction in progress	59	10
Total property, plant and equipment	1,021	621
Intangible assets		
Software	2,923	3,531
Goodwill	3,795	2,840
Other	993	626
Total intangible assets	7,712	6,999
Investments and other assets		
Investment securities	2,957	2,285
Long-term loans receivable	828	874
Deferred tax assets	855	868
Shares of subsidiaries and associates	46	132
Other	1,654	1,497
Allowance for doubtful accounts	-246	-359
Total investments and other assets	6,096	5,299
Total non-current assets	14,830	12,920
Total assets	51,896	46,644

(Million yen)

	Prior Fiscal Year (As of March 31, 2020)	Current Fiscal Year (As of March 31, 2021)
<b>Liabilities</b>		
Current liabilities		
Accounts payable-trade	475	434
Lease obligations	113	86
Accounts payable-other	4,112	2,369
Income taxes payable	1,883	955
Provision for bonuses	1,192	1,122
Provision for directors' bonuses	2	2
Advances received	2,620	2,307
Other	1,361	982
Total current liabilities	11,762	8,260
Non-current liabilities		
Lease obligations	225	164
Deferred tax liabilities	124	126
Provision for share benefits	388	389
Asset retirement obligations	268	203
Long-term accounts payable-other	474	642
Other	4	1
Total non-current liabilities	1,485	1,527
Total liabilities	13,247	9,788
<b>Net assets</b>		
Shareholders' equity		
Capital stock	1,194	1,194
Capital surplus	1,133	998
Retained earnings	39,588	39,399
Treasury shares	-4,253	-5,228
Total shareholders' equity	37,663	36,365
Accumulated other comprehensive income		
Valuation difference on available-for-sale	-7	113
Foreign currency translation adjustment	126	-167
Total accumulated other comprehensive income	119	-53
Subscription rights to shares	154	136
Non-controlling interests	710	408
Total net assets	38,648	36,856
<b>Total liabilities and net assets</b>	<b>51,896</b>	<b>46,644</b>

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

(Million yen)

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Net sales	56,848	42,725
Cost of sales	10,451	8,566
Gross profit	46,397	34,159
Selling, general and administrative expenses		
Advertising expenses	10,892	5,468
Salaries and allowances	8,704	8,521
Bonuses	1,852	1,554
Provision for bonuses	1,449	1,068
Other	12,493	9,774
Total selling, general and administrative expenses	35,392	26,387
Operating income	11,005	7,771
Non-operating income		
Interest income	87	103
Dividends income	11	10
Gain on investments in partnership	25	32
Subsidies for employment adjustment	–	50
Miscellaneous income	21	58
Total non-operating income	146	256
Non-operating expenses		
Foreign exchange losses	11	5
Provision of allowance for doubtful accounts	55	56
Miscellaneous loss	27	26
Total non-operating expenses	94	88
Ordinary income	11,057	7,939
Extraordinary income		
Surrender value of insurance policies	90	–
Gain on sales of non-current assets	23	2
Gain on sales of shares of subsidiaries and associates	–	19
Total extraordinary income	113	22
Extraordinary losses		
Loss on retirement of non-current assets	0	142
Loss on valuation of shares of subsidiaries and associates	9	16
Loss on sales of shares of subsidiaries and associates	–	15
Loss on valuation of investment securities	515	1,390
Impairment loss	–	572
Loss on liquidation of subsidiaries	37	–
Other	–	9
Total extraordinary losses	563	2,147
Income before income taxes	10,608	5,813
Income taxes - current	3,384	2,341
Income taxes - deferred	-35	-80
Total income taxes	3,349	2,261
Profit	7,258	3,552
Profit attributable to non-controlling interests	132	50
Profit attributable to owners of parent	7,125	3,502

Consolidated Statements of Comprehensive Income

(Million yen)

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Profit	7,258	3,552
Other comprehensive income		
Valuation difference on available-for-sale securities	24	120
Foreign currency translation adjustment	-245	-315
Total other comprehensive income	-220	-194
Comprehensive income	7,038	3,357
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	6,905	3,328
Comprehensive income attributable to non-controlling interests	133	29

(3) Consolidated Statements of Changes in Net Assets  
 Prior fiscal year (from April 1, 2019 to March 31, 2020)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income			Subscrip- tion rights to shares	Non- controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available- for-sale securities	Foreign currency translation adjustment	Total accumulat- ed other comprehen- sive income			
Balance at beginning of current period	1,194	538	35,496	-2,795	34,434	-31	372	340	136	555	35,466
Changes of items during the period											
Dividends of surplus			-3,014		-3,014						-3,014
Profit attributable to owners of parent			7,125		7,125						7,125
Purchase of treasury shares				-1,586	-1,586						-1,586
Disposal of treasury shares		112		28	140						140
Change in scope of consolidation			-19		-19						-19
Change in ownership interest of parent due to transactions with non-controlling interests					-						-
Change of share exchanges		492		100	593						593
Capital increase of consolidated subsidiaries		-10			-10						-10
Net changes of items other than shareholders' equity						24	-245	-220	17	155	-47
Total changes of items during period	-	594	4,092	-1,457	3,229	24	-245	-220	17	155	3,181
Balance at end of current period	1,194	1,133	39,588	-4,253	37,663	-7	126	119	154	710	38,648

Current fiscal year (from April 1, 2020 to March 31, 2021)

(Million yen)

	Shareholders' equity					Accumulated other comprehensive income			Subscripti on rights to shares	Non- controlling interests	Total net assets
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders ' equity	Valuation difference on available- for-sale securities	Foreign currency translation adjustment	Total accumulat ed other comprehen sive income			
Balance at beginning of current period	1,194	1,133	39,588	-4,253	37,663	-7	126	119	154	710	38,648
Changes of items during the period											
Dividends of surplus			-3,565		-3,565						-3,565
Profit attributable to owners of parent			3,502		3,502						3,502
Purchase of treasury shares				-1,000	-1,000						-1,000
Disposal of treasury shares		1		25	26						26
Change in scope of consolidation		46	-126		-79						-79
Change in ownership interest of parent due to transactions with non-controlling interests		-182			-182						-182
Change of share exchanges					-						-
Capital increase of consolidated subsidiaries					-						-
Net changes of items other than shareholders' equity					-	120	-294	-173	-17	-301	-493
Total changes of items during period	-	-134	-189	-975	-1,298	120	-294	-173	-17	-301	-1,792
Balance at end of current period	1,194	998	39,399	-5,228	36,365	113	-167	-53	136	408	36,856

## (4) Consolidated Statements of Cash Flows

(Million yen)

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Cash flows from operating activities		
Income before income taxes	10,608	5,813
Depreciation	1,289	1,678
Amortization of goodwill	475	452
Surrender value of insurance policies	-90	-
Impairment loss	-	572
Bad debts expenses	55	23
Loss on liquidation of subsidiaries	37	-
Increase (decrease) in allowance for doubtful accounts	111	13
Increase (decrease) in provision for bonuses	74	-65
Increase (decrease) in provision for directors' bonuses	2	-0
Interest and dividend income	-99	-114
Subsidies for employment adjustment	-	-50
Interest expenses	20	0
Foreign exchange losses (gains)	11	5
Loss (gain) on investments in partnership	-25	-32
Loss (gain) on valuation of investment securities	515	1,390
Loss (gain) on valuation of shares of subsidiaries and associates	9	16
Loss (gain) on sales of shares of subsidiaries and associates	-	-4
Loss (gain) on sales of non-current assets	-23	-2
Loss on retirement of non-current assets	0	142
Decrease (increase) in notes and accounts receivable-trade	-134	1,232
Increase (decrease) in notes and accounts payable-trade	360	-24
Increase (decrease) in accounts payable-other	-1,343	-1,615
Increase (decrease) in advances received	-15	-283
Other	-259	-556
Subtotal	11,581	8,592
Interest expenses paid	-20	-1
Interest and dividend income received	67	106
Subsidies for employment adjustment received	-	50
Income taxes paid	-3,599	-3,134
Income taxes refund	15	39
Net cash provided by (used in) operating activities	8,044	5,652

(Million yen)

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current Fiscal Year (From April 1, 2020 to March 31, 2021)
Cash flows from investing activities		
Payments into time deposits	-1,111	-511
Proceeds from withdrawal of time deposits	236	299
Purchase of property, plant and equipment	-167	-169
Proceeds from sales of property, plant and equipment	24	5
Purchase of intangible assets	-1,590	-1,649
Proceeds from sales of intangible assets	60	-
Purchase of investment securities	-1,459	-517
Proceeds from sales and redemption of investment securities	16	5
Purchase of shares of subsidiaries and associates	-10	-
Proceeds from sales of shares of subsidiaries and associates	-	20
Proceeds from sale of businesses	-	55
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-185	-
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	9	-
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	-16
Payments for lease and guarantee deposits	-161	-5
Proceeds from collection of lease and guarantee deposits	77	318
Purchase of insurance funds	-6	-1
Proceeds from cancellation of insurance funds	192	-
Payments of loans receivable	-55	-0
Other proceeds	3	16
Net cash provided by (used in) investing activities	-4,127	-2,150
Cash flows from financing activities		
Purchase of treasury shares	-1,586	-1,000
Repayments of long-term loans payable	-332	-2
Cash dividends paid	-3,012	-3,564
Dividends paid to non-controlling interests	-103	-69
Repayments of lease obligations	-0	-0
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	-	-346
Other proceeds	-	0
Net cash provided by (used in) financing activities	-5,036	-4,983
Effect of exchange rate change on cash and cash equivalents	-42	-138
Net increase (decrease) in cash and cash equivalents	-1,163	-1,620
Cash and cash equivalents at beginning of period	29,942	28,766
Increase (decrease) in cash and cash equivalents resulting from change in scope of consolidation	-12	-310
Cash and cash equivalents at end of period	28,766	26,835



(5) Notes to the Consolidated Financial Statements  
(Notes Relating to the Going Concern Assumption)  
The Company had no material items to report.

(Basis of Preparing the Consolidated Financial Statements)

1. Scope of Consolidation

(1) Number of consolidated subsidiaries: 16

Name of company: en world Japan K.K.  
en-Asia holdings Limited  
Navigos Group, Ltd.  
Navigos Group Vietnam Joint Stock Company  
Nhan Luc Viet Development&Education Company Limited  
VIET RESOURCES TRAINING COMPANY LIMITED  
en world Recruitment (Thailand) Co., Ltd.  
en Holdings (Thailand) Ltd.  
New Era India Consultancy Pvt. Ltd.  
Future Focus Infotech Pvt. Ltd.  
Future Focus Infotech FZE  
Focus America INC  
Talent Alliance (Beijing) Technology Development Limited  
Zeku, Ltd.  
OWLS, INC.  
Brocante Inc.

Since the Company sold all shares in JapanWork, Inc., which was a consolidated subsidiary, it has been excluded from the scope of consolidation effective the fiscal year under review. In addition, en world Australia Pty. Ltd., i Tank Japan, Inc., and LENSEA, Ltd. have been excluded from the scope of consolidation effective the fiscal year under review because they have less of an impact on the consolidated financial statements.

(2) Names of major unconsolidated subsidiaries:

Insight Tech Ltd. and nine other companies

(Reason for exclusion from consolidation)

Unconsolidated subsidiaries are excluded from the scope of consolidation since their total assets, net sales, profit (amount proportional to the equity share), and retained earnings (amount proportional to the equity share), etc. have no material impact on the consolidated financial statements.

2. Application of the Equity Method

(1) Number of unconsolidated subsidiaries accounted for by the equity method: –

(2) Names of the unconsolidated subsidiaries and affiliates that are not accounted for by the equity method

Insight Tech Ltd. and nine other companies

(Reason for not applying the equity method)

Unconsolidated subsidiaries and affiliates that are not accounted for by the equity method are excluded from the scope of application of the equity method since both of their profit (amount proportional to the equity share) and retained earnings (amount proportional to the equity share), etc. have no material impact on the consolidated financial statements, and they are immaterial also on the whole.

### 3. Fiscal Year, etc., of Consolidated Subsidiaries

Consolidated subsidiaries whose term end differs from the consolidated term end are as follows:

Consolidated subsidiaries	Closing date	
Navigos Group, Ltd.	December 31	Note 1
Navigos Group Vietnam Joint Stock Company	December 31	Note 1
en world Recruitment (Thailand) Co., Ltd.	December 31	Note 1
Talent Alliance (Beijing) Technology Development Limited	December 31	Note 1
OWLS, INC.	January 31	Note 1
Brocante Inc.	September 30	Note 2
Nhan Luc Viet Development&Education Company Limited	December 31	Note 1
VIET RESOURCES TRAINING COMPANY LIMITED	December 31	Note 1

Notes 1 The Group adopts provisional financial statements for the term end of consolidated subsidiaries in preparing the consolidated financial statements. However, those necessary adjustments to consolidation are made to reflect material transactions conducted between this date and the consolidated term end.

2 The Group adopts pro forma financial statements as of December 31 in preparing the consolidated financial statements. However, those necessary adjustments to consolidation are made to reflect material transactions conducted between this date and the consolidated term end.

### 4. Summary of Significant Accounting Policies

#### (1) Valuation basis and method for important assets

##### 1) Securities

##### a. Held-to-maturity securities

Carried at amortized cost (straight-line method)

##### b. Available-for-sale securities

Available-for-sale securities for which the fair market values are readily determinable:

Valued at market as of the balance sheet date. Unrealized gain or loss is included directly in net assets.

The cost of securities sold is determined by the moving-average method.

Available-for-sale securities for which the fair market values are not readily determinable:

Valued at cost determined by the moving-average method

The Company accounts for investments in investment limited partnerships and similar associations (investments deemed to be negotiable securities under Article 2, Paragraph 2, of the Financial Instruments and Exchange Act) by booking a net amount equivalent to the equity method value, based on the most recent closing statement that can be obtained in accordance with the account reporting date provided for in the partnership agreement.

##### 2) Inventories

##### a. Work in process

Specific identification method (amount reported on the balance sheet is stated by writing down based on decrease in profitability)

##### b. Supplies

Most recent purchase cost method (amount reported on the balance sheet is stated by writing down based on decrease in profitability)

#### (2) Depreciation method for major depreciable assets

##### 1) Property, plant and equipment (excluding lease assets)

The depreciation of property, plant and equipment at the Company and its consolidated subsidiary is computed by the declining-balance method using the applicable rates based on the estimated useful lives of the assets.

However, the straight-line method is used to depreciate buildings (excluding accompanying facilities).

The range of useful lives is as follows:

Buildings: 8–25 years

Furniture and fixtures: 2–20 years

For assets acquired on or before March 31, 2007, the remaining book values are equally depreciated on a straight-line basis over five years, starting from the year following the year during which depreciation to the residual values was completed up to the maximum depreciable amounts.

2) Intangible assets (excluding lease assets)

The amortization of intangible assets at the Company and its consolidated subsidiary is computed by the straight-line method.

Computer software for internal use is amortized over the estimated useful life (5 years) depending on the nature of the respective software products.

3) Lease assets

Lease assets related to the finance lease transactions other than those where the ownership of the lease assets

These lease assets are amortized by the straight-line method, assuming that the lease period is the useful life and there is no residual value.

(3) Accounting for important reserves

1) Allowance for doubtful accounts:

The allowance for doubtful accounts is provided for possible bad debt of claims at an amount of possible losses from uncollectible receivables based on the actual loan loss ratio from bad debt for ordinary receivables and on the estimated recoverability for specific doubtful receivables.

2) Provision for bonuses:

The provision for bonuses is provided for possible payment of bonuses to employees at an amount based on the amount estimated to be paid at the end of the fiscal year under review.

3) Provision for directors' bonuses:

Provision for directors' bonuses at subsidiaries is provided for in estimated amounts, which the subsidiaries will pay based on the service provided during the current consolidated accounting period.

4) Provision for share benefits

A provision for share benefits is provided for possible delivery of stock to employees in accordance with the stock delivery regulation at an amount based on the estimated amount of stock benefits obligation at the end of the fiscal year under review.

(4) Method and period of amortization of goodwill

The amount of goodwill and negative goodwill is equally amortized over the estimated years during which the effects are estimated to emerge.

(5) Scope of cash and cash equivalents in the consolidated statements of cash flows

Cash and cash equivalents in the consolidated statements of cash flows include cash on hand, demand deposits and short-term investments due within three months from the date of acquisition, which are easily convertible into cash with little or no risk from fluctuation in value.

(6) Other important matters of presenting the consolidated financial statements

Accounting for consumption taxes

Transactions subject to the consumption tax and the local consumption tax are recorded at amounts exclusive of the consumption tax.

(Consolidated Balance Sheets)

Overdraft Facility Agreement

The Company has concluded an overdraft facility agreement and a committed credit line agreement with one of its primary financing banks. The unused balance at the end of fiscal years based on these agreements was as follows.

	Prior fiscal year (As of March 31, 2020)	Current fiscal year (As of March 31, 2021)
Limit of overdraft line and total of committed credit line	1,000 million yen	6,000 million yen
Outstanding borrowings	– million yen	– million yen
Balance	1,000 million yen	6,000 million yen

(Consolidated Statements of Income)

\*1 Gain on Sales of Non-current Assets was as follows.

	Prior fiscal year (from April 1, 2019 to March 31, 2020)	Current fiscal year (from April 1, 2020 to March 31, 2021)
Buildings	23 million yen	– million yen
Vehicles	– million yen	1 million yen
Furniture and fixtures	0 million yen	0 million yen
Software	0 million yen	– million yen
Total	23 million yen	2 million yen

\*2 Loss on Retirement of Non-current Assets was as follows.

	Prior fiscal year (from April 1, 2019 to March 31, 2020)	Current fiscal year (from April 1, 2020 to March 31, 2021)
Buildings	0 million yen	7 million yen
Furniture and fixtures	– million yen	25 million yen
Software	– million yen	92 million yen
Other	– million yen	17 million yen
Total	0 million yen	142 million yen

\*3 Impairment loss is as follows.

Prior fiscal year (from April 1, 2019 to March 31, 2020)

The Company had no material matters to report.

Current fiscal year (from April 1, 2020 to March 31, 2021)

The Group recorded an impairment loss for the following asset group.

(1) Outline of asset group which impairment loss was recognized

Type	Purpose of use	Location	Amount of impairment loss
Buildings	Common assets	Shinjuku-ku, Tokyo	167 million yen
Furniture and fixtures			3 million yen
Construction in progress	Assets for business	Chennai City, Republic of India	52 million yen
Software	Assets for business	Ho Chi Minh City, Socialist Republic of Vietnam	24 million yen
Goodwill	Other		89 million yen
Goodwill	Other	Chiyoda-ku, Tokyo	235 million yen

(2) Reason for recognizing impairment loss

The Group groups assets for business and others based on categories of managerial accounting in which earnings and expenses are grasped on an ongoing basis.

With regard to common assets, the Company reduced the book value of non-current assets to the recoverable amount and recorded the amount of the reduction as an impairment loss under extraordinary losses because the Company no longer expects their book value to be recoverable due to the decision to close some offices, as well as other reasons.

With regard to business assets in India, the Company reduced the book value of non-current assets to the recoverable amount and recorded the amount of the reduction as an impairment loss under extraordinary losses because the Company no longer expects their book value to be recoverable due to a change in their usage.

The Company reduced the book value of business assets in Vietnam to the recoverable amount and recorded the amount of the reduction as an impairment loss under extraordinary losses because the Company no longer expects them to generate the revenue that was initially expected of them.

The unamortized balance of goodwill was recorded as an impairment loss under extraordinary losses because the Company no longer expects it to generate the revenue that was expected of it at the time of acquisition.

(Consolidated Statements of Comprehensive Income)

\* Adjustments and Taxes in Other Comprehensive Income

	Prior fiscal year (from April 1, 2019 to March 31, 2020)	Current fiscal year (from April 1, 2020 to March 31, 2021)
Valuation difference on available-for-sale securities		
Amount incurred during the term	-1 million yen	174 million yen
Recycling amount	- million yen	-0 million yen
Amount before tax adjustment	35 million yen	173 million yen
Taxes	-10 million yen	-53 million yen
Valuation difference on available-for-sale securities	24 million yen	120 million yen
Foreign currency translation adjustment		
Amount incurred during the term	-245 million yen	-315 million yen
Share of other comprehensive income of entities accounted for using equity method		
Amount incurred during the term	- million yen	- million yen
Other comprehensive income	-220 million yen	-194 million yen

(Consolidated Statements of Cash Flows)

\*1. Relationship between Cash and Cash Equivalents at End of Period and the Line Item Amounts Stated on the Consolidated Balance Sheets

	Prior fiscal year (from April 1, 2019 to March 31, 2020)	Current fiscal year (from April 1, 2020 to March 31, 2021)
Cash and deposits	28,081 million yen	26,374 million yen
Balance of items corresponding to cash equivalents in the securities account	2,047 million yen	2,031 million yen
Time deposits deposited for a period of more than three months	-1,361 million yen	-1,570 million yen
Cash and cash equivalents	28,766 million yen	26,835 million yen

\*2. Details of Assets and Liabilities of Newly Consolidated Subsidiaries Resulting from the Company's Share Acquisition

Prior fiscal year (from April 1, 2019 to March 31, 2020)

In connection with JapanWork, Inc. consolidated through acquisition of shares, details of assets and liabilities as of the starting date of consolidation, and the relationship between the share acquisition cost and the payment (net increase) for the acquisition are as follows:

Current assets	150 million yen
Non-current assets	0 million yen
Current liabilities	-8 million yen
Non-current liabilities	-166 million yen
Goodwill	254 million yen
Share acquisition cost	229 million yen
Disposal amount of treasury shares	-140 million yen
Loans for newly consolidated subsidiaries	150 million yen
Cash and cash equivalents	-147 million yen
Difference: payment for the share acquisition	90 million yen

In connection with Brocante Inc. consolidated through acquisition of shares, details of assets and liabilities as of the starting date of consolidation, and the relationship between the share acquisition cost and the payment (net increase) for the acquisition are as follows:

Current assets	25 million yen
Non-current assets	0 million yen
Current liabilities	-4 million yen
Non-current liabilities	-2 million yen
Goodwill	574 million yen
Share acquisition cost	593 million yen
Amount of shares delivered upon share exchange	-593 million yen
Cash and cash equivalents	-9 million yen
Difference: payment for the share acquisition	-9 million yen

Current fiscal year (from April 1, 2020 to March 31, 2021)

The Company had no material matters to report.

(Segment Information, etc.)

(Segment Information)

I Prior fiscal year (from April 1, 2019 to March 31, 2020)

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

II Current fiscal year (from April 1, 2020 to March 31, 2021)

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

(Related Information)

Prior fiscal year (from April 1, 2019 to March 31, 2020)

1. Information by Product and Service

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

2. Information by Region

(1) Net sales

(Million yen)

Japan	Asia/Oceania	Total
46,103	10,744	56,848

(2) Property, plant and equipment

(Million yen)

Japan	Asia/Oceania	Total
461	560	1,021

3. Information by Major Clients

Presentation is omitted as there are no net sales for outside clients that exceed 10% of net sales recorded in the consolidated statements of income.

Current fiscal year (from April 1, 2020 to March 31, 2021)

1. Information by Product and Service

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

2. Information by Region

(1) Net sales

(Million yen)

Japan	Asia	Total
34,679	8,046	42,725

(2) Property, plant and equipment

(Million yen)

Japan	Asia	Total
255	366	621

3. Information by Major Clients

Presentation is omitted as there are no net sales for outside clients that exceed 10% of net sales recorded in the consolidated statements of income.



(Information on Impairment Losses of Property, Plant and Equipment by Reportable Segment)

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

(Information on Amortization of Goodwill and Unamortized Balance by Reportable Segment)

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

(Information on Gain on Negative Goodwill by Reportable Segment)

The Company had no material matters to report.

## (Per-Share Information)

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current fiscal year (from April 1, 2020 to March 31, 2021)
Net Assets per Share	834.74 yen	810.66 yen
EPS	156.23 yen	78.19 yen
Fully Diluted EPS	155.77 yen	77.96 yen

## (Notes)

- Shares of the Company remaining in trust that are posted as treasury shares under shareholders' equity are included in the number of treasury shares deducted from calculating the average number of shares during the period for the sake of calculating EPS. They are included in the number of treasury shares deducted from the total number of shares issued as of the end of the period for the sake of calculating net assets per share. In calculating EPS, the average number during the period of the treasury shares deducted was 2,397,200 in the fiscal year ended March 31, 2020 and 2,391,708 for the fiscal year ended March 31, 2021. In addition, in calculating net assets per share, the number at the end of the period of the treasury shares deducted was 2,397,200 in the fiscal year ended March 31, 2020 and 2,384,400 in the fiscal year ended March 31, 2021.
- The basis for calculating EPS and fully diluted EPS is shown below.

	Prior Fiscal Year (From April 1, 2019 to March 31, 2020)	Current fiscal year (from April 1, 2020 to March 31, 2021)
EPS		
Profit Attributable to Owners of Parent (million yen)	7,125	3,502
Amount not attributable to Common Shareholders (million yen)	–	–
Profit Attributable to Owners of Parent concerning Common Share (million yen)	7,125	3,502
Average Number of Shares of Common Share Outstanding during the Period (shares)	45,610,589	44,791,225
Fully Diluted EPS		
Profit Attributable to Owners of Parent – Deferred (million yen)	–	–
Increase in the Number of Shares of Common Share (shares)	136,729	132,244
(of which subscription rights to shares [shares])	(136,729)	(132,244)
Summary of Potential Shares not used in the Calculation of Fully Diluted EPS (potential shares have no dilutive effect)	–	–