

en Japan Inc.



1st Quarter FY March 2025 Earnings Announcement [Japan GAAP] (Consolidated)

August 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 +81-3-3342-4506
Scheduled Date to Begin Dividend Payments	-		
Preparation of Summary Supplementary Explanatory Materials	Yes		
Quarterly Earnings Briefing	Yes		

(Figures rounded down to nearest million yen)

1. FY Ending March 2025 First Quarter Operating Results (From April 1, 2024, to June 30, 2024)

(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 3/25 1st Qtrr	16,246	-1.5	1,693	124.3	1,841	108.4	1,206	105.9
FYE 3/24 1st Qtrr	16,499	4.5	755	-58.1	883	-53.7	585	-48.8

(Notes) Comprehensive income FYE 3/25 1st Qtrr 1,609 million yen (151.6%) FYE 3/24 1st Qtrr 639 million yen (-59.0%)

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 3/25 1st Qtrr	29.54	28.99
FYE 3/24 1st Qtrr	14.12	13.89

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio
	Million yen	Million yen	%
FYE 3/25 1st Qtrr	46,979	30,826	64.6
FYE 3/2024	48,974	32,161	64.8

(Reference) Equity FYE 3/25 1st Qtrr 30,343 million yen FYE 3/24 31,755 million yen

2. Dividends

	Annual Dividend				
	1st Quarter-end	2nd Quarter-end	3rd Quarter-end	Year End	Full Year
	Yen	Yen	Yen	Yen	Yen
FYE 3/2024	-	0.00	-	70.10	70.10
FYE 3/2025	-	-	-	-	-
FYE 3/2025 (projected)	-	0.00	-	70.10	70.10

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

3. FY Ending March 2025 Projected Consolidated Operating Results (From April 1, 2024, to March 31, 2025)

(Percentages indicate percent change from the previous 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	7.9	8,100	56.9	8,011	49.2	9,330	122.3	228.50

(Notes) Revisions to the Company's latest operating results projections: Yes

For the revisions to the Company's consolidated operating results projections, see the Notice Concerning Recording of Non-operating Expenses and Extraordinary Income and Revision of Operating Results Projections released on July 18, 2024.

*Notes

- (1) Material changes to the scope of consolidation during the cumulative quarter under review: No
- 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: Yes
- b. Changes in accounting policy other than "a.": No
- c. Changes in accounting estimates: No
- d. Restatement due to correction: No
- (4) Number of shares issued (common share)
- a. Number of shares issued at the end of the period (including treasury shares)
- FYE 3/25 1st Qtr 49,716,000 shares FYE 3/24 49,716,000 shares
- b. Number of treasury shares at the end of the period
- FYE 3/25 1st Qtr 8,874,221 shares FYE 3/24 8,883,721 shares
- c. Average number of shares issued during the period (Quarter Year-to-Date)
- FYE 3/25 1st Qtr 40,835,126 shares FYE 3/24 1st Qtr 41,478,426 shares

* Review of the attached quarterly consolidated financial statements by a certified public accountant or an audit corporation: No

* Explanation regarding appropriate use of operating results projections, 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. For the conditions forming the assumptions for the Company's consolidated operating results projections and the notes on using the projections, see "(3) Explanation of Future Projection Information such as Consolidated Operating Results Projections" in "1. Overview of Operating Results" shown on page 3 of the attached material.

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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. Overview of Operating Results

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

(Million yen)

	First quarter of FY ended March 2024	First quarter of FY ending March 2025	Change	Percent change (%)
Net Sales	16,499	16,246	-252	-1.5%
Operating Income	755	1,693	938	124.3%
Ordinary Income	883	1,841	957	108.4%
Profit Attributable to Owners of Parent	585	1,206	620	105.9%

a. Net sales

Net sales of HR-Tech engage grew significantly year on year due to a rising number of paid-for job offers as job listings by large companies continued to be strong. Net sales of human resources platform increased due to strong recruitment needs in the high-career field (people with a wealth of skills and experience who are in high demand).

Meanwhile, net sales of Domestic Job Board declined as we narrowed down our focus fields by stepping up bundled sales in engage. Net sales of the overseas business decreased, impacted by the external environment.

As a result of the above, net sales amounted to ¥16,246 million, down 1.5% year on year.

b. Cost of sales and selling, general and administrative expenses

Cost of sales was 3,234 million yen, a decrease of 9.2% year on year, mainly due to a decline in temporary staffing-related expenses resulting from lower sales in the Indian IT temporary staffing business.

Selling, general and administrative expenses fell 7.1% year-on-year to 11,319 million yen mainly due to a decrease in advertising expenses resulting from more efficient investment operations.

c. Operating income and ordinary income

Operating income amounted to ¥1,693 million, an increase of 124.3% year on year, due to a reduced operating loss in HR-tech engage resulting from higher sales in our investment business and to an operating profit recorded by human resources platform.

Ordinary income was ¥1,841 million yen, an increase of 108.4% year on year, as operating income grew.

d. Profit attributable to owners of parent

Profit attributable to owners of parent was ¥1,206 million yen, an increase of 105.9% year on year, as ordinary income grew.

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

Total assets at the end of the quarter under review decreased ¥1,994 million compared with the end of the previous fiscal year to ¥46,979 million.

Current assets fell ¥3,306 million to ¥27,753 million. This was mainly due to a decrease of ¥2,551 million in cash and deposits and a drop of ¥597 million in notes and accounts receivable—trade and contract assets. Non-current assets increased ¥1,311 million to ¥19,225 million.

Total liabilities were ¥16,153 million, a decrease of ¥659 million from the end of the previous fiscal year.

Current liabilities fell ¥746 million to ¥13,382 million. This was mainly due to a decrease of ¥618 in income taxes payable. Non-current liabilities rose ¥87 million to ¥2,770 million.

Total net assets were ¥30,826 million, down ¥1,335 million from the end of the previous fiscal year. This was mainly due to ¥3,023 million in dividends paid and ¥1,206 million in profit attributable to owners of parent and to an increase of ¥346 million in foreign currency translation adjustment.

(3) Explanation of Future Projection Information such as Consolidated Operating Results Projections

Concerning the Company's consolidated operating results projections for the fiscal year ending March 31, 2025, for the second quarter we will likely record expenses associated with sales of investment securities under non-operating expenses and a gain on sales of investment securities under extraordinary income, as published on July 18, 2024.

As a result, the Company's consolidated operating results forecast for the year ending March 31, 2025, published on May 9, 2024, has been revised as shown below.

Revision to the consolidated operating results forecast for the fiscal year ending March 31, 2025

	Net Sales	Operating Income	Ordinary Income	Profit Attributable to Owners of Parent	EPS
Forecast published previously (A)	Million yen 73,000	Million yen 8,100	Million yen 8,344	Million yen 5,789	Yen 141.78
Forecast published this time (B)	73,000	8,100	8,011	9,330	228.50
Change (B – A)	-	-	-333	3,541	-
Percent change (%)	-	-	-4.0	61.2	-
(Reference) Results for the previous fiscal year (ended March 31, 2024)	67,661	5,161	5,369	4,196	102.38

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheet

(Million yen)

	Previous Fiscal Year (As of March 31, 2024)	First Quarter of Current Fiscal Year (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	21,768	19,217
Notes and accounts receivable–trade, and contract assets	6,017	5,421
Securities	2,000	2,000
Other	1,566	1,414
Allowance for doubtful accounts	-292	-299
Total current assets	31,060	27,753
Non-current assets		
Property, plant and equipment	1,019	857
Intangible assets		
Software	6,617	6,954
Goodwill	1,847	1,831
Other	892	938
Total intangible assets	9,357	9,724
Investments and other assets		
Investment securities	3,621	4,587
Shares of subsidiaries and associates	562	563
Other	3,815	3,961
Allowance for doubtful accounts	-461	-468
Total investments and other assets	7,537	8,644
Total non-current assets	17,914	19,225
Total assets	48,974	46,979
Liabilities		
Current liabilities		
Accounts payable–trade	841	819
Accounts payable–other	4,117	3,526
Income taxes payable	1,302	684
Provision for bonuses	1,149	654
Provision for directors’ bonuses	38	52
Advances received	4,768	5,289
Other	1,911	2,355
Total current liabilities	14,129	13,382
Non-current liabilities		
Retirement benefit liability	187	222
Provision for share benefits	535	554
Asset retirement obligations	208	208
Other	1,752	1,784
Total non-current liabilities	2,683	2,770
Total liabilities	16,813	16,153
Net assets		
Shareholders’ equity		
Capital stock	1,194	1,194
Capital surplus	489	490
Retained earnings	43,696	41,879
Treasury shares	-14,993	-14,989
Total shareholders’ equity	30,388	28,574
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	247	302
Foreign currency translation adjustment	1,119	1,466
Total accumulated other comprehensive income	1,367	1,768
Subscription rights to shares	395	470
Non-controlling interests	10	12
Total net assets	32,161	30,826
Total liabilities and net assets	48,974	46,979

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

Quarterly Consolidated Statements of Income

First Quarter

(Million yen)

	First Quarter of the Previous Fiscal Year (From April 1, 2023, to June 30, 2023)	First Quarter of the Current Fiscal Year (From April 1, 2024, to June 30, 2024)
Net Sales	16,499	16,246
Cost of sales	3,560	3,234
Gross profit	12,938	13,012
Selling, general and administrative expenses	12,183	11,319
Operating income	755	1,693
Non-operating income		
Interest income	51	90
Share of profit of entities accounted for using	32	22
Foreign exchange gains	68	60
Other	19	3
Total non-operating income	172	176
Non-operating expenses		
Interest expenses	17	5
Loss on investments in investment partnerships	24	19
Provision of allowance for doubtful accounts	-	1
Other	1	2
Total non-operating expenses	43	28
Ordinary Income	883	1,841
Extraordinary income		
Gain on sale of non-current assets	0	0
Gain on sale of investment securities	67	-
Total extraordinary income	67	0
Extraordinary losses		
Loss on sale of non-current assets	-	5
Loss on retirement of non-current assets	15	2
Loss on valuation of investment securities	6	0
Loss on cancellation of leases	-	35
Total extraordinary losses	21	44
Profit before income taxes	929	1,797
Income taxes-current	309	590
Total income taxes	309	590
Profit	620	1,207
Profit attributable to non-controlling interests	34	0
Profit attributable to owners of parent	585	1,206

Quarterly Consolidated Statements of Comprehensive Income

First Quarter

(Million yen)

	First Quarter of the Previous Fiscal Year (From April 1, 2023, to June 30, 2023)	First Quarter of the Current Fiscal Year (From April 1, 2024, to June 30, 2024)
Profit	620	1,207
Other comprehensive income		
Valuation difference on available-for-sale securities	69	55
Foreign currency translation adjustment	-49	347
Total other comprehensive income	19	402
Comprehensive income	639	1,609
(Breakdown)		
Comprehensive income attributable to owners of parent	603	1,607
Comprehensive income attributable to non-controlling interests	35	1

(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 first quarter 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 that significantly lacks reasonableness, the statutory tax rate is adopted.

(Changes in Accounting Policy)

(Notes on Changes in Accounting Policy)

(Application of “Accounting Standard for Taxes” and Other Standards)

The “Accounting Standard for Taxes” (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the “2022 Revised Accounting Standard”) has been applied from the beginning of the first quarter of the current consolidated accounting period.

For amendments related to the classification of corporate taxes, etc., with respect to other comprehensive income taxation, we adhere to the transitional treatment specified in paragraph 20-3 of the 2022 Revised Accounting Standard, as well as the transitional treatment outlined in paragraph 65-2(2) of the “Implementation Guidance on Accounting Standard for Taxes” (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “2022 Revised Implementation Guidance”). This has no impact on the quarterly consolidated financial statements.

Additionally, for amendments related to the review of treatment in consolidated financial statements concerning the deferral of tax gains and losses arising from the sale of subsidiary shares within consolidated entities, the 2022 Revised Implementation Guidance has been applied from the beginning of the first quarter of the current consolidated accounting period. This change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements and consolidated financial statements for the previous quarter and the previous consolidated fiscal year have been retrospectively adjusted accordingly. There is no impact on the quarterly consolidated financial statements for the previous quarter and the consolidated financial statements for the previous consolidated fiscal year.

(Notes on Material Changes in Shareholders’ Equity)

There are no pertinent items.

(Segment Information)

[Segment Information]

I First quarter of the previous fiscal year (from April 1, 2023, to June 30, 2023)

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

II First quarter of the current fiscal year (from April 1, 2024, to June 30, 2024)

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

(Notes to Statements of Cash Flows)

No consolidated statements of cash flows were prepared for the quarter under review. Shown below are depreciation (including amortization of intangible assets excluding goodwill) and amortization of goodwill for the quarter under review.

	First Quarter of the Previous Fiscal Year (From April 1, 2023, to June 30, 2023)	First Quarter of the Current Fiscal Year (From April 1, 2024, to June 30, 2024)
Depreciation	544 million yen	656 million yen
Amortization of goodwill	93 million yen	99 million yen

(Significant subsequent events)

(Sale of investment securities)

At a Board of Directors meeting held on July 17, 2024, the Company resolved to sell all the shares it holds in Timee, Inc. (headquartered in Minato-ku; CEO, Ryo Ogawa) by participating as a secondary offeror in a secondary offering of common shares of the firm due to its listing on the Tokyo Stock Exchange (the "Secondary Offering"). The procedures for the sale were completed on July 26, 2024.

(1) Details of sale of investment securities

a. Class of shares to be sold by the Company	Common shares of Timee, Inc.
b. Date of sale	July 26, 2024
c. Number shares to be sold by the Company	3,867,000 shares
d. Total value of sale	5,607 million yen

(2) Financial impacts on profit and loss

As a result of this sale of investment securities, we plan to record 5,437 million yen in gain on sale of investment securities under extraordinary income in the second quarter of the fiscal year ending March 31, 2025.