

en Japan Inc.



3rd Quarter FY March 2021 Earnings Announcement [Japan GAAP] (Consolidated)

February 10, 2021

Company Name	en Japan Inc.	Listing Exchanges	First Section of the Tokyo Stock Exchange
Stock Code	4849	URL	https://corp.en-japan.com/
Representative (Title)	President	(Name)	Takatsugu Suzuki
	Executive Officer and		
Contact (Title)	Administration Division	(Name)	Tomoki Tamai
	Director		Telephone +81-3-3342-4506
Scheduled Date for Submission of Quarterly Report	February 10, 2021		
Scheduled Date to Begin Dividend Payments	-		
Preparation of Quarterly Summary Supplementary Explanatory Materials	Yes		
Quarterly Earnings Briefing	None		

(Figures rounded down to nearest million yen)

1. FY Ending March 2021 Cumulative Third Quarter Operating Results (From April 1, 2020 to December 31, 2020)

(1) Consolidated Operating Results (cumulative)

(Percentages indicate percent 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 3/21 3rd Qtr	31,116	-25.7	5,044	-38.5	5,150	-37.0	2,948	-46.2
FYE 3/20 3rd Qtr	41,904	20.4	8,198	-9.9	8,176	-11.8	5,483	-15.5

(Note) Comprehensive income FYE 3/21 3rd Qtr 2,828 million yen (-45.7%) FYE 3/20 3rd Qtr 5,212 million yen (-19.4%)

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 3/21 3rd Qtr	65.83	65.65
FYE 3/20 3rd Qtr	120.17	119.81

(2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio
	Million yen	Million yen	%
FYE 3/21 3rd Qtr	45,282	36,456	78.8
FYE 3/20	51,896	38,648	72.8

(Reference) Core capital FYE 3/21 3rd Qtr 35,700 million yen FYE 3/20 37,783 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 3/20	-	0.00	-	74.80	74.80
FYE 3/21	-	0.00	-		
FYE 3/21 (projected)				39.70	39.70

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

3. FY Ending March 2021 Projected Consolidated Operating Results (April 1, 2020 - March 31, 2021)

(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	41,543	-26.9	6,129	-44.3	6,261	-43.4	3,741	-47.5	83.55

(Note) Revisions to the Company's latest operating results projections: None

* Notes

- (1) Changes in material subsidiaries during the cumulative quarter under review (Change in specific subsidiaries that will accompany a change in scope of consolidation) 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: No
 - 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 3/21 3rd Qtr 49,716,000 shares FYE 3/20 49,716,000 shares
 - b. Number of shares of treasury shares at the end of the period
 FYE 3/21 3rd Qtr 4,935,049 shares FYE 3/20 4,451,919 shares
 - c. Average number of shares issued during the period (quarter year-to-date)
 FYE 3/21 3rd Qtr 44,793,205 shares FYE 3/20 3rd Qtr 45,627,477 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 projections, other special notes

(Points to note on future descriptions)

- 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 financial results on its website today.

Please refer to the URL below.

<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, 2020)	Third Quarter of Current Fiscal Year (As of December 31, 2020)
Assets		
Current assets		
Cash and deposits	28,081	23,859
Notes and accounts receivable - trade	5,736	3,692
Securities	2,047	2,031
Other	1,372	1,388
Allowance for doubtful accounts	-171	-137
Total current assets	37,065	30,833
Non-current assets		
Property, plant and equipment	1,021	669
Intangible assets		
Goodwill	3,795	3,121
Other	3,917	4,213
Total intangible assets	7,712	7,334
Investments and other assets		
Investment securities	2,957	3,242
Shares of subsidiaries and associates	46	37
Other	3,338	3,468
Allowance for doubtful accounts	-246	-302
Total investments and other assets	6,096	6,444
Total non-current assets	14,830	14,448
Total assets	51,896	45,282
Liabilities		
Current liabilities		
Accounts payable - trade	475	441
Income taxes payable	1,883	301
Provision for bonuses	1,192	671
Provision for directors' bonuses	2	10
Advances received	2,620	2,513
Other	5,587	3,317
Total current liabilities	11,762	7,255
Non-current liabilities		
Provision for share benefits	388	427
Asset retirement obligations	268	202
Other	828	940
Total non-current liabilities	1,485	1,570
Total liabilities	13,247	8,826
Net assets		
Shareholders' equity		
Capital stock	1,194	1,194
Capital surplus	1,133	930
Retained earnings	39,588	38,851
Treasury shares	-4,253	-5,243
Total shareholders' equity	37,663	35,733
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	-7	37
Foreign currency translation adjustment	126	-70
Total accumulated other comprehensive income	119	-33
Subscription rights to shares	154	155
Non-controlling interests	710	600
Total net assets	38,648	36,456
Total liabilities and net assets	51,896	45,282

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

Quarterly Consolidated Statements of Income

Cumulative Third Quarter

(Unit: Million yen)

	Cumulative Third Quarter of the Previous Fiscal Year (From April 1, 2019 to December 31, 2019)	Cumulative Third Quarter of the Current Fiscal Year (From April 1, 2020 to December 31, 2020)
Net sales	41,904	31,116
Cost of sales	7,780	6,402
Gross profit	34,123	24,714
Selling, general and administrative expenses	25,924	19,669
Operating income	8,198	5,044
Non-operating income		
Interest income	46	73
Dividend income	10	10
Subsidy for employment adjustment	—	50
Other	28	47
Total non-operating income	84	181
Non-operating expenses		
Interest expenses	17	0
Loss on investments in partnership	20	16
Foreign exchange losses	12	38
Provision of allowance for doubtful accounts	40	7
Other	16	11
Total non-operating expenses	106	75
Ordinary income	8,176	5,150
Extraordinary income		
Gain on sales of non-current assets	23	1
Gain on sales of shares of subsidiaries and associates	—	19
Total extraordinary income	23	21
Extraordinary losses		
Impairment loss	—	459
Loss on retirement of non-current assets	0	40
Loss on valuation of investment securities	56	204
Loss on valuation of shares of subsidiaries and associates	9	10
Loss on sales of shares of subsidiaries and associates	—	15
Total extraordinary losses	66	730
Profit before income taxes	8,133	4,441
Income taxes-current	2,525	1,457
Total income taxes	2,525	1,457
Profit	5,608	2,984
Profit attributable to non-controlling interests	125	35
Profit attributable to owners of parent	5,483	2,948

Quarterly Consolidated Statements of Comprehensive Income

Cumulative Third Quarter

(Unit: Million yen)

	Cumulative Third Quarter of the Previous Fiscal Year (From April 1, 2019 to December 31, 2019)	Cumulative Third Quarter of the Current Fiscal Year (From April 1, 2020 to December 31, 2020)
Profit	5,608	2,984
Other comprehensive income		
Valuation difference on available-for-sale securities	-142	45
Foreign currency translation adjustment	-252	-201
Total other comprehensive income	-395	-156
Comprehensive income	5,212	2,828
(Break down)		
Comprehensive income attributable to owners of parent	5,106	2,796
Comprehensive income attributable to non-controlling interests	106	32

(3) Notes Regarding Quarterly Consolidated Financial Statements

(Notes Relating to the Going Concern Assumption)

There are no pertinent items.

(Notes on Significant Changes to Shareholders' Equity)

en Japan adopted a resolution on matters related to acquiring treasury shares based on a written resolution in lieu of the resolution of the Board of Directors on March 25, 2020 and the provision of Article 156 of the Companies Act to be applied mutatis mutandis pursuant to the provision of Article 165, Paragraph 3 of the said Act, and accordingly acquired 496,200 common shares. As a result, treasury shares increased by ¥1,000 million at the end of the third quarter of the current fiscal year.

(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. 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 Company adopts the statutory tax rate.

(Segment Information)

[Segment Information]

I Cumulative third quarter of the previous fiscal year (from April 1, 2019 to December 31, 2019)

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

II Cumulative third quarter of the fiscal year under review (from April 1, 2020 to December 31, 2020)

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

(Additional Information)

Cumulative third quarter of the fiscal year ending March 31, 2021 (from April 1, 2020 to December 31, 2020)
There has been no critical change about the assumptions including the outlook for the spread of COVID-19 and the time when it will end, which were described in the Annual Securities Report for the previous fiscal year in the “Additional Information: Accounting estimate under the COVID-19 outbreak.”