

en Japan Inc.



# 1st Quarter FY March 2023 Earnings Announcement [Japan GAAP] (Consolidated)

August 10, 2022

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>
Representative (Title)	President	(Name)	Takatsugu Suzuki
Contact (Title)	Administration Division Director	(Name)	Toshio Hijikata
Scheduled Date for Submission of Quarterly Report	August 10, 2022	Telephone	+81-3-3342-4506
Scheduled Date to Begin Dividend Payments	—		
Preparation of Quarterly Summary Supplementary Explanatory Materials	Yes		
Quarterly Earnings Briefing	Yes		

(Figures rounded down to nearest million yen)

## 1. FY Ending March 2023 First Quarter Operating Results (From April 1, 2022 to June 30, 2022)

### (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 3/23 1st Qtr	15,791	30.9	1,802	-22.0	1,907	-17.6	1,144	-24.5
FYE 3/22 1st Qtr	12,060	15.5	2,310	85.1	2,314	87.2	1,515	145.1

(Note) Comprehensive income FYE 3/23 1st Qtr 1,558 million yen (-18.5%) FYE 3/22 1st Qtr 1,912 million yen (263.9%)

	EPS	Fully Diluted EPS
	Yen	Yen
FYE 3/23 1st Qtr	25.46	25.41
FYE 3/22 1st Qtr	33.84	33.82

### (2) Consolidated Financial Position

	Total Assets	Net Assets	Net Asset Ratio
	Million yen	Million yen	%
FYE 3/23 1st Qtr	54,812	39,353	70.8
FYE 3/22	56,215	41,160	72.2

(Reference) Core capital FYE 3/23 1st Qtr 38,817 million yen FYE 3/22 40,603 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 3/22	—	0.00	—	70.10	70.10
FYE 3/23	—				
FYE 3/23 (projected)		0.00	—	70.10	70.10

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

### 3. FY Ending March 2023 Projected Consolidated Operating Results (April 1, 2022 – March 31, 2023)

(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	62,000	13.7	3,085	-68.0	3,086	-69.6	2,118	47.20

(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 3/23 1st Qtr 49,716,000 shares FYE 3/22 49,716,000 shares  
 b. Number of shares of treasury shares at the end of the period  
 FYE 3/23 1st Qtr 4,768,814 shares FYE 3/22 4,795,377 shares  
 c. Average number of shares issued during the period (Quarter Year-to-Date)  
 FYE 3/23 1st Qtr 44,929,086 shares FYE 3/22 1st Qtr 44,797,770 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

(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

	(Million yen)	
	Previous Fiscal Year (As of March 31, 2022)	First Quarter of Current Fiscal Year (As of June 30, 2022)
Assets		
Current assets		
Cash and deposits	33,849	31,938
Notes and accounts receivable - trade, and contract assets	5,466	5,445
Securities	2,000	2,000
Other	1,061	1,251
Allowance for doubtful accounts	-76	-130
Total current assets	42,301	40,504
Non-current assets		
Property, plant and equipment	634	589
Intangible assets		
Goodwill	2,342	2,344
Other	4,545	4,759
Total intangible assets	6,888	7,103
Investments and other assets		
Investment securities	2,752	2,817
Shares of subsidiaries and associates	680	680
Other	3,327	3,485
Allowance for doubtful accounts	-367	-368
Total investments and other assets	6,392	6,614
Total non-current assets	13,914	14,308
Total assets	56,215	54,812
Liabilities		
Current liabilities		
Accounts payable - trade	1,063	1,247
Income taxes payable	1,189	831
Provision for bonuses	1,088	584
Provision for directors' bonuses	27	38
Advances received	3,785	4,568
Other	6,346	6,426
Total current liabilities	13,501	13,697
Non-current liabilities		
Retirement benefit liabilities	—	49
Provision for share benefits	424	423
Asset retirement obligations	206	206
Other	922	1,081
Total non-current liabilities	1,553	1,761
Total liabilities	15,054	15,459
Net assets		
Shareholders' equity		
Capital stock	1,194	1,194
Capital surplus	902	895
Retained earnings	43,147	40,978
Treasury shares	-5,068	-5,041
Total shareholders' equity	40,176	38,027
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	102	214
Foreign currency translation adjustment	324	576
Total accumulated other comprehensive income	426	790
Subscription rights to shares	124	114
Non-controlling interests	432	421
Total net assets	41,160	39,353
Total liabilities and net assets	56,215	54,812

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

Quarterly Consolidated Statements of Income

Cumulative First Quarter

(Million yen)

	Cumulative First Quarter of the Previous Fiscal Year (From April 1, 2021 to June 30, 2021)	Cumulative First Quarter of the Current Fiscal Year (From April 1, 2022 to June 30, 2022)
Net sales	12,060	15,791
Cost of sales	2,378	3,778
Gross profit	9,681	12,012
Selling, general and administrative expenses	7,371	10,209
Operating Income	2,310	1,802
Non-operating income		
Interest income	23	21
Dividend income	9	—
Foreign exchange income	—	78
Gain on investments in investment partnerships	—	8
Other	10	4
Total non-operating income	43	112
Non-operating expenses		
Interest expenses	0	6
Loss on investments in investment partnerships	25	—
Foreign exchange losses	10	—
Provision of allowance for doubtful accounts	—	1
Other	2	1
Total non-operating expenses	39	8
Ordinary Income	2,314	1,907
Extraordinary income		
Gain on sales of non-current assets	0	—
Gain on sales of investment securities	33	—
Total extraordinary income	33	—
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Loss on valuation of investment securities	—	103
Total extraordinary losses	0	103
Profit before income taxes	2,347	1,803
Income taxes-current	773	642
Total income taxes	773	642
Profit	1,574	1,161
Profit attributable to non-controlling interests	58	17
Profit attributable to owners of parent	1,515	1,144

Quarterly Consolidated Statements of Comprehensive Income

Cumulative First Quarter

(Million yen)

	Cumulative First Quarter of the Previous Fiscal Year (From April 1, 2021 to June 30, 2021)	Cumulative First Quarter of the Current Fiscal Year (From April 1, 2022 to June 30, 2022)
Profit	1,574	1,161
Other comprehensive income		
Valuation difference on available-for-sale securities	3	111
Foreign currency translation adjustment	334	286
Total other comprehensive income	338	397
Comprehensive income	1,912	1,558
(Break down)		
Comprehensive income attributable to owners of parent	1,840	1,508
Comprehensive income attributable to non-controlling interests	71	50

### (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.

(Segment Information)

[Segment Information]

#### I Cumulative first quarter of the previous fiscal year (from April 1, 2021 to June 30, 2021)

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

#### II Cumulative first quarter of the fiscal year under review (from April 1, 2022 to June 30, 2022)

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

(Significant subsequent events)

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 acquire treasury shares pursuant to Article 156 of the Companies Act, as applied pursuant to Article 165, paragraph 3 of the same Act.

##### 1. Reasons for the acquisition of treasury shares

The Company has formulated the Medium-Term Management Plan whose final year is the fiscal year ending March 2027, and it was announced on May 12, 2022. In order to make HR-Tech engage, which is an investment business, and Human Resources Platform our next pillars of business, we will make active investments in the first half of the Medium-Term Management Plan, and aim to increase consolidated net sales and operating income to slightly more than twice the level of the fiscal year ended March 2022 in 5 years.

For our financial position, we will give priority to growth investments such as M&A and capital contributions, while flexibly returning profits to shareholders depending on the situation. The Company has decided to acquire treasury shares based on the Company's basic financial policy, the Medium-Term Management Plan, and the current share price level in light of recent performance trends.

##### 2. Details of matters pertaining to the acquisition

- |  |  |
|--|--|
| (1) Class of shares to be acquired               | : The Company's common shares  |
| (2) Number of shares to be acquired              | : Up to 5,000,000<br>(Ratio to the total number of shares issued (excluding treasury shares): 11.1%) |
| (3) Total acquisition cost                       | : Up to 10 billion yen   |
| (4) Period of the acquisition of treasury shares | : From August 12, 2022 to May 31, 2023   |
| (5) Acquisition method                           | : Purchase on the Tokyo Stock Exchange   |