

Consolidated Financial Results for the Three Months Ended June 30, 2024 [Japanese GAAP]



August 13, 2024

Company name: ESCRIT INC.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2196

URL: <http://www.escrit.jp/>

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Scheduled date of commencing dividend payments: —

Availability of supplementary explanatory materials on financial results: Available

Schedule of financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 – June 30, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2024	5,721	(0.7)	(177)	—	(204)	—	(142)	—
June 30, 2023	5,762	4.5	(175)	—	(271)	—	(224)	—

(Note) Comprehensive income: Three months ended June 30, 2024: ¥(142) million [-%]

Three months ended June 30, 2023: ¥(209) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	(16.11)	—
June 30, 2023	(22.11)	—

(Note) Although potential dilutive shares existed, diluted earnings per share are not stated herein because a net loss per share was recorded.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2024	21,656	6,099	28.2
As of March 31, 2024	23,199	6,241	26.9

(Reference) Equity: As of June 30, 2024: ¥6,099 million

As of March 31, 2024: ¥6,241 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (Forecast)		0.00	—	0.00	0.00

(Notes) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	27,158	1.9	1,000	7.6	900	7.5	560	(9.6)	19.24

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

Newly included: — (Company name: —)

Excluded: — (Company name: —)

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

June 30, 2024: 13,786,500 shares

March 31, 2024: 13,786,500 shares

2) Total number of treasury shares at the end of the period:

June 30, 2024: 278,065 shares

March 31, 2024: 278,065 shares

3) Average number of shares during the period:

Three months ended June 30, 2024: 13,786,500 shares

Three months ended June 30, 2023: 13,508,503 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: None

* Explanation of the proper use of financial results forecast and other notes

(Notes on forward-looking statements)

Earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and do not represent a commitment from the Company that they will be achieved. Actual results may differ significantly from the forecasts due to various factors.

(Access to supplementary explanatory materials on financial results)

Supplementary explanatory materials on financial results were posted on the Company's website on August 13, 2024.

2. Quarterly Consolidated Financial Statements and Principal Notes
(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	5,156,234	4,769,609
Notes and accounts receivable - trade, and contract assets	974,829	323,817
Accounts receivable from completed construction contracts	202,339	70,336
Real estate for sale	461,193	464,528
Merchandise and finished goods	311,337	323,264
Raw materials and supplies	55,542	54,524
Costs on construction contracts in progress	167,316	189,084
Investments in leases	579,205	573,811
Other	659,276	684,195
Allowance for doubtful accounts	(29,449)	(21,995)
Total current assets	8,537,826	7,431,178
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,676,079	4,482,792
Other	1,096,808	877,421
Total property, plant and equipment	5,772,887	5,360,213
Intangible assets	325,259	309,200
Investments and other assets		
Leasehold and guarantee deposits	3,791,605	3,698,840
Deferred tax assets	4,489,005	4,572,138
Investment property	116,303	116,303
Other	211,984	213,908
Allowance for doubtful accounts	(45,121)	(45,099)
Total investments and other assets	8,563,777	8,556,090
Total non-current assets	14,661,925	14,225,505
Total assets	23,199,751	21,656,683

(Thousand yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	704,706	557,331
Short-term borrowings	642,120	—
Current portion of long-term borrowings	2,200,357	2,300,007
Accounts payable - other	984,215	789,901
Income taxes payable	28,568	8,044
Contract liabilities	1,737,767	1,627,752
Asset retirement obligations	31,357	30,000
Other	1,639,280	1,211,494
Total current liabilities	7,968,372	6,524,531
Non-current liabilities		
Bonds payable	90,000	90,000
Long-term borrowings	6,034,539	6,109,970
Asset retirement obligations	2,425,820	2,413,393
Other	439,070	419,157
Total non-current liabilities	8,989,430	9,032,520
Total liabilities	16,957,802	15,557,052
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	4,613,178	4,613,178
Retained earnings	1,784,272	1,641,456
Treasury shares	(192,543)	(192,543)
Total shareholders' equity	6,254,907	6,112,091
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,550	3,028
Foreign currency translation adjustment	(15,509)	(15,488)
Total accumulated other comprehensive income	(12,958)	(12,460)
Total net assets	6,241,948	6,099,631
Total liabilities and net assets	23,199,751	21,656,683

(2) Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income
Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Net sales	5,762,677	5,721,987
Cost of sales	2,372,505	2,373,241
Gross profit	3,390,172	3,348,746
Selling, general and administrative expenses	3,566,044	3,526,089
Operating loss	(175,872)	(177,343)
Non-operating income		
Subsidy income	1,555	640
Gain on liquidation of leasehold and guarantee deposits	3,500	2,100
Other	2,448	1,511
Total non-operating income	7,503	4,252
Non-operating expenses		
Interest expenses	18,272	20,008
Commission expenses for financial services	73,555	2,001
Other	11,086	9,479
Total non-operating expenses	102,914	31,489
Ordinary loss	(271,283)	(204,580)
Extraordinary income		
Gain on sale of non-current assets	814	—
Gain on reversal of share acquisition rights	1,187	—
Total extraordinary income	2,001	—
Extraordinary losses		
Loss on sale of non-current assets	—	13,554
Loss on reversal of foreign currency translation adjustment	18,676	—
Total extraordinary losses	18,676	13,554
Loss before income taxes	(287,958)	(218,134)
Income taxes - current	8,217	8,044
Income taxes - deferred	(72,025)	(83,363)
Total income taxes	(63,808)	(75,319)
Loss	(224,149)	(142,815)
Loss attributable to owners of parent	(224,149)	(142,815)

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2023 (From April 1, 2023 to June 30, 2023)	For the three months ended June 30, 2024 (From April 1, 2024 to June 30, 2024)
Loss	(224,149)	(142,815)
Other comprehensive income		
Valuation difference on available-for-sale securities	2,718	477
Foreign currency translation adjustment	12,363	21
Total other comprehensive income	15,081	498
Comprehensive income	(209,068)	(142,316)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(209,068)	(142,316)