

Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]



February 14, 2025

Company name: ESCRIT INC.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2196

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

Representative: Morihiro Shibutani, Representative Director, CEO

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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 Nine Months Ended December 31, 2024 (April 1, 2024 – December 31, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	19,255	(1.9)	703	0.4	632	0.0	360	(27.3)
December 31, 2023	19,634	9.9	700	86.7	631	1.1	496	29.9

(Note) Comprehensive income: Nine months ended December 31, 2024: ¥376 million [(26.5)%]

Nine months ended December 31, 2023: ¥512 million [40.2%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	9.98	—
December 31, 2023	20.06	—

(Note) Although potential dilutive shares existed, diluted earnings per share are not stated herein because there are no potentially dilutive shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	21,723	6,318	29.1
As of March 31, 2024	23,199	6,241	26.9

(Reference) Equity: As of December 31, 2024: ¥6,318 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	—	0.00	—		
Fiscal year ending March 31, 2025 (Forecast)				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
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	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: Yes
 Newly included: — (Company name: —)
 Excluded: 1 (Company name: ESCRIT Taiwan INC.)
- (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):

December 31, 2024:	13,786,500 shares
March 31, 2024:	13,786,500 shares
 - 2) Total number of treasury shares at the end of the period:

December 31, 2024:	278,065 shares
March 31, 2024:	278,065 shares
 - 3) Average number of shares during the period:

Nine months ended December 31, 2024:	13,508,435 shares
Nine months ended December 31, 2023:	13,508,458 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 February 14, 2025.

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

(Thousand yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	5,156,234	5,214,748
Notes and accounts receivable - trade, and contract assets	974,829	392,911
Accounts receivable from completed construction contracts	202,339	165,170
Real estate for sale	461,193	462,544
Merchandise and finished goods	311,337	306,012
Raw materials and supplies	55,542	61,728
Costs on construction contracts in progress	167,316	271,720
Investments in leases	579,205	562,996
Other	659,276	721,231
Allowance for doubtful accounts	(29,449)	(15,006)
Total current assets	8,537,826	8,144,058
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,676,079	4,394,744
Other, net	1,096,808	868,464
Total property, plant and equipment	5,772,887	5,263,208
Intangible assets	325,259	142,474
Investments and other assets		
Leasehold and guarantee deposits	3,791,605	3,600,069
Deferred tax assets	4,489,005	4,289,751
Investment property	116,303	—
Other	211,984	333,345
Allowance for doubtful accounts	(45,121)	(49,723)
Total investments and other assets	8,563,777	8,173,443
Total non-current assets	14,661,925	13,579,126
Total assets	23,199,751	21,723,184

(Thousand yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	704,706	517,008
Short-term borrowings	642,120	—
Current portion of long-term borrowings	2,200,357	2,281,011
Accounts payable - other	984,215	776,406
Income taxes payable	28,568	42,845
Contract liabilities	1,737,767	1,234,838
Asset retirement obligations	31,357	30,000
Other	1,639,280	1,489,623
Total current liabilities	7,968,372	6,371,732
Non-current liabilities		
Bonds payable	90,000	60,000
Long-term borrowings	6,034,539	6,160,572
Asset retirement obligations	2,425,820	2,476,698
Other	439,070	335,775
Total non-current liabilities	8,989,430	9,033,045
Total liabilities	16,957,802	15,404,778
Net assets		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	4,613,178	4,613,178
Retained earnings	1,784,272	1,845,077
Treasury shares	(192,543)	(192,543)
Total shareholders' equity	6,254,907	6,315,711
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,550	2,694
Foreign currency translation adjustment	(15,509)	—
Total accumulated other comprehensive income	(12,958)	2,694
Total net assets	6,241,948	6,318,406
Total liabilities and net assets	23,199,751	21,723,184

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	For the nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Net sales	19,634,785	19,255,764
Cost of sales	8,410,423	8,242,457
Gross profit	11,224,361	11,013,306
Selling, general and administrative expenses	10,524,171	10,310,157
Operating profit	700,189	703,149
Non-operating income		
Insurance claim income	12,616	8,447
Settlement income	—	7,700
Subsidy income	63,243	2,560
Other	13,057	10,548
Total non-operating income	88,917	29,255
Non-operating expenses		
Interest expenses	59,614	66,022
Commission expenses	17,255	21,211
Commission expenses for financial services	74,155	2,226
Other	6,138	10,931
Total non-operating expenses	157,163	100,391
Ordinary profit	631,943	632,013
Extraordinary income		
Gain on sale of non-current assets	814	2,269
Gain on reversal of share acquisition rights	1,187	—
Total extraordinary income	2,001	2,269
Extraordinary losses		
Loss on sale of non-current assets	—	14,857
Impairment losses	73,375	—
Loss on reversal of foreign currency translation adjustment	18,676	23,699
Total extraordinary losses	92,052	38,557
Profit before income taxes	541,892	595,725
Income taxes - current	23,727	43,914
Income taxes - deferred	21,824	191,006
Total income taxes	45,552	234,920
Profit	496,340	360,804
Profit attributable to owners of parent	496,340	360,804

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2023 (From April 1, 2023 to December 31, 2023)	For the nine months ended December 31, 2024 (From April 1, 2024 to December 31, 2024)
Profit	496,340	360,804
Other comprehensive income		
Valuation difference on available-for-sale securities	3,473	143
Foreign currency translation adjustment	12,370	15,509
Total other comprehensive income	15,844	15,653
Comprehensive income	512,184	376,457
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	512,184	376,457