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Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 [Japanese GAAP]

May 10, 2024

Company name: Entrust Inc.
 Stock exchange listing: Tokyo
 Code number: 7191
 URL: <https://www.entrust-inc.jp/>
 Representative: Yutaka Kuwabara President and Representative Director
 Contact: Hiroyuki Ota Director, operating officer
 Phone: +81-3(5213)0250
 Scheduled date of Annual General Meeting of Shareholders: June 21, 2024
 Scheduled date of commencing dividend payments: June 6, 2024
 Scheduled date of filing annual securities report: June 24, 2024
 Availability of supplementary briefing material on annual financial results: Yes
 Schedule of annual financial results briefing session: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2024	8,971	-	2,073	-	2,070	-	1,227	-
March 31, 2023	-	-	-	-	-	-	-	-

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥ 1,245 million [-%]
 Fiscal year ended March 31, 2023: ¥ - million [-%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2024	54.88	54.82	20.2	21.4	23.1
March 31, 2023	-	-	-	-	-

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2024: ¥ - million
 Fiscal year ended March 31, 2023: ¥ - million

(Note) The Company has prepared consolidated financial statements since the fiscal year ended March 31, 2024. Therefore, figures for the fiscal year ended March 31, 2023 and year-on-year changes are omitted. And, the Rate of return on equity and Ratio of ordinary profit to total assets for the fiscal year ended March 31, 2024 are calculated based on the end-of-year equity and total assets, respectively.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	9,653	6,105	63.1	272.25
March 31, 2023	-	-	-	-

(Reference) Equity: As of March 31, 2024: ¥ 6,087 million
 As of March 31, 2023: ¥ - million

(Note) The Company has prepared consolidated financial statements since the fiscal year ended March 31, 2024. Therefore, figures for the fiscal year ended March 31, 2023 are omitted.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Fiscal year ended March 31, 2024	288	45	(357)	5,663
March 31, 2023	-	-	-	-

(Note) The Company has prepared consolidated financial statements since the fiscal year ended March 31, 2024. Therefore, figures for the fiscal year ended March 31, 2023 are omitted.

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2023	-	7.00	-	7.00	14.00	313	-	-
March 31, 2024	-	9.00	-	9.00	18.00	402	32.8	6.6
Fiscal year ending March 31, 2025 (Forecast)	-	12.50	-	12.50	25.00		40.8	

(Note) The Company has prepared consolidated financial statements since the fiscal year ended March 31, 2024. Therefore, figures for the fiscal year ended March 31, 2023 are omitted. And, Ratio of dividends to net assets (consolidated) for the fiscal year ended March 31, 2024 are calculated based on the end-of-year net assets.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to 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
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2024	5,000	16.6	1,170	14.8	1,170	15.5	690	16.5	30.86
Full year	10,230	14.0	2,320	11.9	2,320	12.0	1,370	11.6	61.27

* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

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

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(3) Total number of issued shares (common shares)

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

March 31, 2024: 22,360,122 shares

March 31, 2023: 22,360,122 shares

2) Number of treasury shares at the end of the period:

March 31, 2024: 158 shares

March 31, 2023: 158 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2024: 22,359,964 shares

Fiscal Year ended March 31, 2023: 22,359,531 shares

*Financial results reports are exempt from audit conducted by certified public accountants or an audit corporation.

*Explanation for appropriate use of financial forecasts and other special notes

The forecasts given in this document are based on the current available information in the company and certain reasonable assumptions to the company. And we don't commit to achieve these forecasting numbers. Actual results may differ from these forecasts by a variety of reasons.

*Briefing material on financial results will be posted on the Company's website on May 10, 2024.

Consolidated Financial Statements

Consolidated Balance Sheets

(Thousands of yen)

As of March 31, 2024

Assets	
Current assets	
Cash and deposits	5,663,252
Accounts receivable - trade	211,076
Advances paid	3,824,979
Other	474,556
Allowance for doubtful accounts	(1,735,104)
Total current assets	8,438,761
Non-current assets	
Property, plant and equipment	
Buildings	186,918
Accumulated depreciation	(62,418)
Buildings, net	124,499
Other	86,691
Accumulated depreciation	(50,702)
Other, net	35,988
Total property, plant and equipment	160,488
Intangible assets	
Goodwill	31,667
Other	191,258
Total intangible assets	222,925
Investments and other assets	
Investment securities	510,983
Deferred tax assets	66,694
Other	253,579
Total investments and other assets	831,257
Total non-current assets	1,214,671
Total assets	9,653,433

(Thousands of yen)

As of March 31, 2024

Liabilities	
Current liabilities	
Accounts payable - trade	65,677
Income taxes payable	579,024
Unearned revenue	1,978,836
Provision for bonuses	67,027
Reserve for fulfillment of guarantees	477,670
Other	224,792
Total current liabilities	3,393,028
Non-current liabilities	
Asset retirement obligations	71,946
Other	82,711
Total non-current liabilities	154,658
Total liabilities	3,547,686
Net assets	
Shareholders' equity	
Share capital	1,045,155
Capital surplus	831,723
Retained earnings	4,167,100
Treasury shares	(127)
Total shareholders' equity	6,043,851
Accumulated other comprehensive income	
Valuation difference on available-for-sale securities	43,685
Total accumulated other comprehensive income	43,685
Share acquisition rights	18,208
Total net assets	6,105,746
Total liabilities and net assets	9,653,433

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024
Net sales	8,971,530
Cost of sales	4,594,420
Gross profit	4,377,109
Selling, general and administrative expenses	2,303,138
Operating profit	2,073,971
Non-operating income	
Interest income	58
Interest on securities	3,069
Dividend income	1,969
Other	570
Total non-operating income	5,667
Non-operating expenses	
Loss on retirement of non-current assets	4,362
Loss on investments in investment partnerships	4,195
Other	474
Total non-operating expenses	9,031
Ordinary profit	2,070,607
Extraordinary income	
Gain on sale of non-current assets	131
Total extraordinary income	131
Profit before income taxes	2,070,739
Income taxes - current	863,620
Income taxes - deferred	(20,064)
Total income taxes	843,556
Profit	1,227,182
Profit attributable to non-controlling interests	-
Profit attributable to owners of parent	1,227,182

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2024
Profit	1,227,182
Other comprehensive income	
Valuation difference on available-for-sale securities	18,727
Total other comprehensive income	18,727
Comprehensive income	1,245,910
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	1,245,910
Comprehensive income attributable to non-controlling interests	-

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,045,155	831,723	3,297,677	(127)	5,174,428
Changes during period					
Dividends of surplus			(357,759)		(357,759)
Profit attributable to owners of parent			1,227,182		1,227,182
Net changes in items other than shareholders' equity					-
Total changes during period	-	-	869,423	-	869,423
Balance at end of period	1,045,155	831,723	4,167,100	(127)	6,043,851

	Accumulated other comprehensive income		Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income		
Balance at beginning of period	24,958	24,958	10,451	5,209,838
Changes during period				
Dividends of surplus		-		(357,759)
Profit attributable to owners of parent		-		1,227,182
Net changes in items other than shareholders' equity	18,727	18,727	7,757	26,484
Total changes during period	18,727	18,727	7,757	895,908
Balance at end of period	43,685	43,685	18,208	6,105,746

Consolidated Statements of Cash Flows

(Thousands of yen)

For the fiscal year
ended March 31, 2024

Cash flows from operating activities	
Profit before income taxes	2,070,739
Depreciation	97,186
Amortization of goodwill	7,916
Increase (decrease) in allowance for doubtful accounts	573,813
Increase (decrease) in provision for bonuses	3,053
Increase (decrease) in reserve for fulfillment of guarantees	225,278
Interest and dividend income	(5,097)
Loss (gain) on sale of non-current assets	(131)
Loss on retirement of non-current assets	4,362
Decrease (increase) in trade receivables	12,531
Decrease (increase) in advances paid	(2,146,104)
Increase (decrease) in trade payables	17,067
Increase (decrease) in unearned revenue	183,542
Other, net	(2,539)
Subtotal	1,041,617
Interest and dividends received	5,097
Income taxes paid	(757,889)
Net cash provided by (used in) operating activities	288,825
Cash flows from investing activities	
Purchase of property, plant and equipment and intangible assets	(140,793)
Proceeds from sale of property, plant and equipment and intangible assets	131
Payments of guarantee deposits	(24,313)
Proceeds from refund of guarantee deposits	3,388
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	207,007
Net cash provided by (used in) investing activities	45,421
Cash flows from financing activities	
Dividends paid	(357,773)
Net cash provided by (used in) financing activities	(357,773)
Net increase (decrease) in cash and cash equivalents	(23,526)
Cash and cash equivalents at beginning of period	5,686,779
Cash and cash equivalents at end of period	5,663,252