

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



May 14, 2024

Company name: ESCRIT INC.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2196

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

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Scheduled date of annual general meeting of shareholders: June 25, 2024

Scheduled date of filing securities report: June 25, 2024

Scheduled date of commencing dividend payments: —

Availability of supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for institutional investors and analysts)

(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 – March 31, 2024)

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

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	26,639	10.4	929	340.7	837	84.9	619	268.7
March 31, 2023	24,129	8.5	210	—	452	—	168	(64.8)

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥635 million [280.1%]

Fiscal year ended March 31, 2023: ¥167 million [(63.6)%]

Fiscal year ended	Basic earnings per share	Diluted earnings per share	Return on equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	23.67	—	10.2	3.6	3.5
March 31, 2023	(4.21)	—	2.9	1.9	0.9

(Note) Although potential dilutive shares existed, diluted earnings per share for the fiscal year ended March 31, 2023 are not stated herein because a net loss per share was recorded.

Although potential dilutive shares existed, diluted earnings per share for the fiscal year ended March 31, 2024 are not stated herein because there are no potentially dilutive shares.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2024	23,199	6,241	26.9	228.89
As of March 31, 2023	22,985	5,870	25.5	204.04

(Reference) Equity: As of March 31, 2024: ¥6,241 million

As of March 31, 2023: ¥5,868 million

## (3) Consolidated Cash Flows

Fiscal year ended	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
	Million yen	Million yen	Million yen	Million yen
March 31, 2024	1,221	(591)	(915)	4,960
March 31, 2023	1,100	(502)	(1,316)	5,210

## 2. Dividends

	Annual dividends					Total dividends paid (annual)	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2023	—	0.00	—	0.00	0.00	—	—	—
Fiscal year ended March 31, 2024	—	0.00	—	0.00	0.00	—	—	—
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

### \* Notes:

(1) Changes in significant subsidiaries during the period under review: Yes

(Changes in specified subsidiaries resulting in changes in scope of consolidation)

Newly included: — (Company name: —)

Excluded: 1 (Company name: ESCRIT HAWAII INC.)

(Note) ESCRIT HAWAII INC., a consolidated subsidiary, was excluded from the scope of consolidation with the completion of liquidation on June 14, 2023.

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

1) Changes in accounting policies due to the revision of accounting standards: None

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

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) 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):

March 31, 2024: 13,786,500 shares

March 31, 2023: 13,786,500 shares

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

March 31, 2024: 278,065 shares

March 31, 2023: 277,965 shares

3) Average number of shares during the period:

Fiscal year ended March 31, 2024: 13,508,452 shares

Fiscal year ended March 31, 2023: 13,508,535 shares

(Reference)

**1. Non-consolidated Financial Results for the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024)**

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	22,153	4.3	625	30.7	474	(35.1)	405	7.0
March 31, 2023	21,233	14.0	478	–	708	–	379	(42.9)

Fiscal year ended	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
March 31, 2024	7.81		–	
March 31, 2023	11.40		–	

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

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
March 31, 2024	19,538	5,741	29.4	191.86
March 31, 2023	20,702	5,598	27.0	183.97

(Reference) Equity: As of March 31, 2024: ¥5,741 million

As of March 31, 2023: ¥5,597 million

\* These consolidated financial results are outside the scope of review by certified public accountants or an audit firm.

\* 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. For the conditions underlying the earnings forecast and notes on the use of the earnings forecast, please refer to “1. Overview of Operating Results, etc. (4) Future Outlook” on page 3 of the Attachments (available in Japanese only).

(Access to supplementary explanatory materials on financial results)

Supplementary explanatory materials on financial results were posted on the Company’s website on May 14, 2024.

Consolidated Financial Statements and Principal Notes  
(1) Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2023	As of March 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	5,406,693	5,156,234
Notes receivable - trade	1,929	2,412
Accounts receivable - trade	151,020	176,214
Accounts receivable from completed construction contracts	430,354	202,339
Contract assets	62,216	796,203
Real estate for sale	354,748	461,193
Merchandise and finished goods	323,323	311,337
Raw materials and supplies	58,247	55,542
Costs on construction contracts in progress	109,005	167,316
Investments in leases	-	629,045
Other	828,939	609,436
Allowance for doubtful accounts	(39,806)	(29,449)
<b>Total current assets</b>	<b>7,686,671</b>	<b>8,537,826</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	5,374,282	4,676,079
Tools, furniture and fixtures, net	342,309	295,141
Land	671,169	554,866
Leased assets, net	223,448	176,123
Construction in progress	69,864	61,053
Other	16,112	9,623
<b>Total property, plant and equipment</b>	<b>6,697,187</b>	<b>5,772,887</b>
Intangible assets		
Goodwill	-	39,280
Other	97,375	285,979
<b>Total intangible assets</b>	<b>97,375</b>	<b>325,259</b>
Investments and other assets		
Leasehold and guarantee deposits	3,665,000	3,791,605
Deferred tax assets	4,573,725	4,489,005
Investment property	-	116,303
Other	308,705	211,984
Allowance for doubtful accounts	(43,548)	(45,121)
<b>Total investments and other assets</b>	<b>8,503,883</b>	<b>8,563,777</b>
<b>Total non-current assets</b>	<b>15,298,445</b>	<b>14,661,925</b>
<b>Total assets</b>	<b>22,985,116</b>	<b>23,199,751</b>

(Thousand yen)

	As of March 31, 2023	As of March 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	928,096	704,706
Short-term borrowings	4,854,000	642,120
Current portion of long-term borrowings	1,135,841	2,200,357
Accounts payable - other	740,583	984,215
Advances received	26,971	36,000
Income taxes payable	30,878	28,568
Contract liabilities	1,448,991	1,737,767
Asset retirement obligations	118,266	31,357
Other	1,567,131	1,603,279
Total current liabilities	10,850,761	7,968,372
Non-current liabilities		
Bonds payable	150,000	90,000
Long-term borrowings	3,303,573	6,034,539
Lease liabilities	287,670	200,076
Asset retirement obligations	2,355,753	2,425,820
Other	167,333	238,993
Total non-current liabilities	6,264,330	8,989,430
Total liabilities	17,115,091	16,957,802
<b>Net assets</b>		
Shareholders' equity		
Share capital	50,000	50,000
Capital surplus	4,613,178	4,613,178
Retained earnings	1,426,965	1,784,272
Treasury shares	(192,505)	(192,543)
Total shareholders' equity	5,897,638	6,254,907
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(920)	2,550
Foreign currency translation adjustment	(27,880)	(15,509)
Total accumulated other comprehensive income	(28,800)	(12,958)
Share acquisition rights	1,187	—
Total net assets	5,870,025	6,241,948
Total liabilities and net assets	22,985,116	23,199,751

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

### Consolidated Statements of Income

Fiscal Year Ended March 31

(Thousand yen)

	For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Net sales	24,129,054	26,639,348
Cost of sales	10,217,024	11,601,992
Gross profit	13,912,030	15,037,356
Selling, general and administrative expenses	13,701,110	14,107,736
Operating profit	210,920	929,620
Non-operating income		
Foreign exchange gains	14,574	622
Insurance claim income	3,317	17,694
Subsidy income	218,194	66,243
Subsidies for employment adjustment	149,050	–
Other	18,749	13,481
Total non-operating income	403,886	98,041
Non-operating expenses		
Interest expenses	76,781	79,597
Commission expenses	7,661	23,680
Commission expenses for financial services	73,019	74,440
Other	4,534	12,783
Total non-operating expenses	161,996	190,501
Ordinary profit	452,810	837,160
Extraordinary income		
Gain on sale of non-current assets	–	859
Gain on reversal of share acquisition rights	784	1,187
Total extraordinary income	784	2,047
Extraordinary losses		
Loss on sale of non-current assets	2,976	–
Impairment losses	140,985	73,375
Loss on valuation of shares of subsidiaries and associates	75,102	–
Loss on reversal of foreign currency translation adjustment	–	18,676
Total extraordinary losses	219,065	92,052
Profit before income taxes	234,529	747,155
Income taxes - current	32,378	29,796
Income taxes - deferred	34,056	97,552
Total income taxes	66,434	127,348
Profit	168,094	619,806
Profit attributable to owners of parent	168,094	619,806

Consolidated Statements of Comprehensive Income

Fiscal Year Ended March 31

(Thousand yen)

	For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Profit	168,094	619,806
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,005)	3,470
Foreign currency translation adjustment	137	12,370
Total other comprehensive income	(868)	15,841
Comprehensive income	167,225	635,648
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	167,225	635,648

## (3) Consolidated Statements of Changes in Net Assets

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	4,613,178	1,483,871	(192,505)	5,954,544
Cumulative effects of changes in accounting policies					–
Restated balance	50,000	4,613,178	1,483,871	(192,505)	5,954,544
Changes of items during period					
Dividends of surplus			(225,000)		(225,000)
Profit attributable to owners of parent			168,094		168,094
Purchase of treasury shares					–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	(56,905)	–	(56,905)
Balance at end of period	50,000	4,613,178	1,426,965	(192,505)	5,897,638

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	85	(28,017)	(27,932)	1,971	5,928,583
Cumulative effects of changes in accounting policies					–
Restated balance	85	(28,017)	(27,932)	1,971	5,928,583
Changes of items during period					
Dividends of surplus					(225,000)
Profit attributable to owners of parent					168,094
Purchase of treasury shares					–
Net changes of items other than shareholders' equity	(1,005)	137	(868)	(784)	(1,652)
Total changes of items during period	(1,005)	137	(868)	(784)	(58,558)
Balance at end of period	(920)	(27,880)	(28,800)	1,187	5,870,025



Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Thousand yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	50,000	4,613,178	1,426,965	(192,505)	5,897,638
Cumulative effects of changes in accounting policies					–
Restated balance	50,000	4,613,178	1,426,965	(192,505)	5,897,638
Changes of items during period					
Dividends of surplus			(262,500)		(262,500)
Profit attributable to owners of parent			619,806		619,806
Purchase of treasury shares				(38)	(38)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	357,306	(38)	357,268
Balance at end of period	50,000	4,613,178	1,784,272	(192,543)	6,254,907

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income		
Balance at beginning of period	(920)	(27,880)	(28,800)	1,187	5,870,025
Cumulative effects of changes in accounting policies					–
Restated balance	(920)	(27,880)	(28,800)	1,187	5,870,025
Changes of items during period					
Dividends of surplus					(262,500)
Profit attributable to owners of parent					619,806
Purchase of treasury shares					(38)
Net changes of items other than shareholders' equity	3,470	12,370	15,841	(1,187)	14,654
Total changes of items during period	3,470	12,370	15,841	(1,187)	371,922
Balance at end of period	2,550	(15,509)	(12,958)	–	6,241,948

## (4) Consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	234,529	747,155
Depreciation	1,269,654	1,092,988
Impairment losses	140,985	73,375
Loss on reversal of foreign currency translation adjustment	–	18,676
Loss (gain) on sale of property, plant and equipment	2,976	(859)
Amortization of goodwill	–	9,820
Increase (decrease) in allowance for doubtful accounts	9,327	(8,784)
Interest and dividend income	(916)	(796)
Gain on reversal of share acquisition rights	(784)	(1,187)
Subsidies for employment adjustment	(149,050)	–
Subsidy income	(218,194)	(66,363)
Loss on valuation of shares of subsidiaries and associates	75,102	–
Interest expenses	76,781	79,597
Commission expenses	7,661	23,680
Commission expenses for financial services	73,019	74,440
Decrease (increase) in trade receivables	52,911	(533,221)
Decrease (increase) in inventories	(35,960)	(91,754)
Decrease (increase) in costs on construction contracts in progress	(75,985)	(58,311)
Decrease (increase) in investments in leases	–	(579,205)
Increase (decrease) in trade payables	(102,439)	(29,861)
Increase (decrease) in advances received	22,787	9,029
Increase (decrease) in contract liabilities	(157,735)	288,776
Increase (decrease) in accounts payable - other	26,469	228,285
Other, net	(445,926)	(12,937)
Subtotal	805,212	1,262,543
Interest and dividends received	912	793
Interest paid	(76,420)	(83,622)
Income taxes refund (paid)	(27,181)	(32,226)
Subsidies for employment adjustment received	179,918	7,878
Subsidies received	218,194	66,363
Net cash provided by (used in) operating activities	1,100,635	1,221,730
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	22,000	946
Purchase of property, plant and equipment	(335,163)	(336,518)
Payments for asset retirement obligations	(103,625)	(66,000)
Purchase of intangible assets	(36,090)	(192,877)
Payments for acquisition of businesses	–	(73,215)
Payments of leasehold and guarantee deposits	(175,890)	(75,107)
Proceeds from refund of leasehold and guarantee deposits	114,269	73,304
Other, net	12,353	78,109
Net cash provided by (used in) investing activities	(502,145)	(591,360)

(Thousand yen)

	For the fiscal year ended March 31, 2023 (From April 1, 2022 to March 31, 2023)	For the fiscal year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(187,500)	(4,211,880)
Proceeds from long-term borrowings	800,000	5,827,523
Repayments of long-term borrowings	(1,480,277)	(2,032,041)
Redemption of bonds	(60,000)	(60,000)
Repayment of lease liabilities	(90,976)	(88,121)
Dividends paid	(225,003)	(262,500)
Other, net	(73,019)	(88,063)
Net cash provided by (used in) financing activities	(1,316,776)	(915,083)
Effect of exchange rate change on cash and cash equivalents	(19)	13,123
Net increase (decrease) in cash and cash equivalents	(718,306)	(271,590)
Cash and cash equivalents at beginning of period	5,929,025	5,210,718
Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries	–	21,128
Cash and cash equivalents at end of period	5,210,718	4,960,256