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

July 26, 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

Telephone: 03(5213)0250

Scheduled date to commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: None

(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 to 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2024	2,486	18.6	541	7.7	544	9.8	281	0.4
June 30, 2023	2,095	-	502	-	496	-	280	-

(Note) Comprehensive income: Three months ended June 30, 2024: ¥ 252 million [(21.7)%]
Three months ended June 30, 2023: ¥ 321 million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	12.60	12.58
June 30, 2023	12.55	12.54

(Note) The Company has prepared quarterly consolidated financial statements since the three months ended June 30, 2023. Therefore, year-on-year changes of for the three months ended June 30, 2023 are omitted.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	9,698	6,156	63.4
March 31, 2024	9,653	6,105	63.1

(Reference) Equity: As of June 30, 2024: ¥ 6,147 million
As of March 31, 2024: ¥ 6,087 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	-	9.00	-	9.00	18.00
Fiscal year ending March 31, 2025	-				
Fiscal year ending March 31, 2025 (Forecast)		12.50	-	12.50	25.00

(Note) 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 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

(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 policies adopted specially 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 shares (common shares)

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

June 30, 2024: 22,373,222 shares

March 31, 2024: 22,360,122 shares

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

June 30, 2024: 158 shares

March 31, 2024: 158 shares

3) Average number of shares outstanding during the period:

Three months ended June 30, 2024: 22,364,331 shares

Three months ended June 30, 2023: 22,359,964 shares

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

* Proper use of earnings forecasts, and other special matters

*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 quarterly financial results will be posted on the Company's website on July 26, 2024.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	5,663,252	5,481,447
Accounts receivable - trade	211,076	168,033
Advances paid	3,824,979	4,314,671
Other	474,556	575,290
Allowance for doubtful accounts	(1,735,104)	(1,995,689)
Total current assets	8,438,761	8,543,754
Non-current assets		
Property, plant and equipment	160,488	169,088
Intangible assets		
Other	222,925	212,563
Total intangible assets	222,925	212,563
Investments and other assets	831,257	772,971
Total non-current assets	1,214,671	1,154,623
Total assets	9,653,433	9,698,377

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	65,677	63,426
Income taxes payable	579,024	238,207
Unearned revenue	1,978,836	2,248,592
Provision for bonuses	67,027	39,993
Reserve for fulfillment of guarantees	477,670	514,763
Other	224,792	272,333
Total current liabilities	3,393,028	3,377,317
Non-current liabilities		
Asset retirement obligations	71,946	72,024
Other	82,711	92,485
Total non-current liabilities	154,658	164,509
Total liabilities	3,547,686	3,541,827
Net assets		
Shareholders' equity		
Share capital	1,045,155	1,049,527
Capital surplus	831,723	836,096
Retained earnings	4,167,100	4,247,545
Treasury shares	(127)	(127)
Total shareholders' equity	6,043,851	6,133,042
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	43,685	14,031
Total accumulated other comprehensive income	43,685	14,031
Share acquisition rights	18,208	9,477
Total net assets	6,105,746	6,156,550
Total liabilities and net assets	9,653,433	9,698,377

Quarterly Consolidated Statements of Income and Comprehensive Income
Quarterly Consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Net sales	2,095,812	2,486,351
Cost of sales	1,069,509	1,292,558
Gross profit	1,026,302	1,193,793
Selling, general and administrative expenses	523,769	652,520
Operating profit	502,532	541,272
Non-operating income		
Interest income	0	2
Interest on securities	764	764
Dividend income	602	686
Gain on investments in investment partnerships	-	1,524
Miscellaneous income	396	585
Total non-operating income	1,762	3,563
Non-operating expenses		
Loss on retirement of non-current assets	4,146	0
Loss on investments in investment partnerships	4,115	-
Total non-operating expenses	8,262	0
Ordinary profit	496,032	544,835
Extraordinary income		
Gain on sale of non-current assets	75	-
Total extraordinary income	75	-
Extraordinary losses		
Loss on valuation of investment securities	-	1,582
Total extraordinary losses	-	1,582
Profit before income taxes	496,108	543,253
Income taxes - current	192,632	231,011
Income taxes - deferred	22,918	30,556
Total income taxes	215,551	261,567
Profit	280,557	281,685
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	280,557	281,685

Quarterly Consolidated Statements of Comprehensive Income (For the three months)

(Thousands of yen)

	For the three months ended June 30, 2023	For the three months ended June 30, 2024
Profit	280,557	281,685
Other comprehensive income		
Valuation difference on available-for-sale securities	41,194	(29,654)
Total other comprehensive income	41,194	(29,654)
Comprehensive income	321,751	252,030
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	321,751	252,030
Comprehensive income attributable to non-controlling interests	-	-