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Consolidated Financial Results for the Nine Months Ended December 31, 2020 [Japanese GAAP]

January 29, 2021

Company name: eGuarantee, Inc.
Stock exchange listing: Tokyo
Code number: 8771
URL: <http://www.eguarantee.co.jp/>
Representative: Masanori Eto
Contact: Nozomu Murai
Phone: 03-6327-3609

President and Chief Executive Officer
Director, General Manager of Corporate Administration Dept

Scheduled date of filing quarterly securities report: February 12, 2021
Scheduled date of commencing dividend payments: -
Availability of supplementary briefing material on quarterly financial results: No
Schedule of quarterly financial results briefing session: No

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2020 (April 01, 2020 to December 31, 2020)

(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	%
Nine months ended December 31, 2020	5,297	20.0	2,287	14.8	2,300	14.2	1,495	(15.6)
December 31, 2019	4,413	6.6	1,992	10.0	2,013	9.3	1,772	51.5

(Note) Comprehensive income: Nine months ended December 31, 2020: ¥ 1,547 million [(16.0)%]
Nine months ended December 31, 2019: ¥ 1,842 million [41.9%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2020	33.93	31.81
December 31, 2019	41.70	39.48

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of December 31, 2020	20,888	16,257	72.1	331.40
March 31, 2020	16,444	12,798	70.3	271.94

(Reference) Equity: As of December 31, 2020: ¥ 15,054 million
As of March 31, 2020: ¥ 11,558 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, 2020	-	0.00	-	14.00	14.00
Fiscal year ending March 31, 2021	-	0.00	-		
Fiscal year ending March 31, 2021 (Forecast)				14.00	14.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2021(April 01, 2020 to March 31, 2021)

(% 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	7,700	29.3	2,980	9.6	3,000	9.1	1,950	(15.3)	45.88

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the nine months ended December 31, 2020

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) 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

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

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

December 31, 2020: 45,429,800 shares

March 31, 2020: 42,506,400 shares

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

December 31, 2020: 1,414 shares

March 31, 2020: 1,385 shares

3) Average number of shares during the period:

Nine months ended December 31, 2020: 44,072,310 shares

Nine months ended December 31, 2019: 42,505,042 shares

*These quarterly financial results are outside the scope of audits by certified public accountants or audit firms.

*Guidance on the appropriate use of performance forecasts and other special notes

Notes on forward-looking statements

Performance forecasts and other forward-looking statements in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and the Company does not guarantee their achievement. Actual performance and other results may be significantly different from the forecasts due to various factors.

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2020	As of December 31,2020
Assets		
Current assets		
Cash and deposits	9,232,731	14,224,300
Accounts receivable - trade	58,440	60,579
Securities	2,602,474	-
Prepaid expenses	1,152,221	978,060
Accounts receivable - other	358,833	164,327
Income taxes receivable	139,527	-
Other	100,895	106,357
Total current assets	13,645,123	15,533,626
Non-current assets		
Property, plant and equipment	1,392,105	1,384,323
Intangible assets	77,068	91,499
Investments and other assets		
Investment securities	855,250	3,405,250
Deferred tax assets	151,287	151,287
Other	323,907	322,559
Total investments and other assets	1,330,445	3,879,096
Total non-current assets	2,799,619	5,354,920
Total assets	16,444,743	20,888,546
Liabilities		
Current liabilities		
Accounts payable - trade	7,889	11,765
Income taxes payable	2,693	601,964
Advances received	3,059,366	3,343,743
Provision for settlement	216,981	310,926
Provision for bonuses	124,148	55,797
Deposits received	24,541	49,792
Other	95,682	141,657
Total current liabilities	3,531,305	4,515,648
Non-current liabilities		
Long-term accounts payable - other	115,282	115,282
Total non-current liabilities	115,282	115,282
Total liabilities	3,646,588	4,630,930
Net assets		
Shareholders' equity		
Share capital	1,643,135	2,941,277
Capital surplus	1,053,135	2,351,277
Retained earnings	8,863,119	9,763,229
Treasury shares	(774)	(824)
Total shareholders' equity	11,558,616	15,054,960
Share acquisition rights	135,065	143,861
Non-controlling interests	1,104,472	1,058,793
Total net assets	12,798,155	16,257,615
Total liabilities and net assets	16,444,743	20,888,546

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Thousand yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Net sales	4,413,909	5,297,173
Cost of sales	942,832	1,344,538
Gross profit	3,471,077	3,952,634
Selling, general and administrative expenses	1,478,487	1,664,696
Operating profit	1,992,589	2,287,938
Non-operating income		
Interest income	18,355	14,739
Share of profit of entities accounted for using equity method	1,091	-
Other	1,933	2,796
Total non-operating income	21,380	17,535
Non-operating expenses		
Share of loss of entities accounted for using equity method	-	4,832
Total non-operating expenses	-	4,832
Ordinary profit	2,013,970	2,300,641
Extraordinary losses		
Loss on retirement of non-current assets	45,233	100
Loss on valuation of investment securities	-	49,999
Total extraordinary losses	45,233	50,100
Profit before income taxes	1,968,736	2,250,541
Income taxes	126,342	703,447
Profit	1,842,394	1,547,093
Profit attributable to non-controlling interests	70,123	51,913
Profit attributable to owners of parent	1,772,270	1,495,179

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

(Thousand yen)

	For the nine months ended December 31,2019	For the nine months ended December 31,2020
Profit	1,842,394	1,547,093
Comprehensive income	1,842,394	1,547,093
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,772,270	1,495,179
Comprehensive income attributable to non-controlling interests	70,123	51,913