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Consolidated Financial Results for the Six Months Ended September 30, 2021 [Japanese GAAP]

November 10, 2021

Company name: J-LEASE CO.,LTD.

Stock exchange listing: Tokyo

Code number: 7187

URL: <https://www.j-lease.jp>

Representative: Hiraku Nakashima

Representative Director Chairman, President & CEO

Contact: Shigeharu Nakashima

Senior Managing Director

Phone: 03-5909-1245

Scheduled date of filing quarterly securities report: November 10, 2021

Scheduled date of commencing dividend payments: December 01, 2021

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 01, 2021 to September 30, 2021)

(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	%
Six months ended September 30, 2021	4,369	24.9	883	169.3	868	183.1	582	202.7
September 30, 2020	3,498	8.7	327	268.8	306	362.2	192	516.5

(Note) Comprehensive income: Six months ended September 30, 2021: ¥ 582 million [202.7%]
Six months ended September 30, 2020: ¥ 192 million [516.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2021	65.79	64.58
September 30, 2020	21.86	21.42

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2021	8,190	1,747	21.3
March 31, 2021	8,154	1,205	14.8

(Reference) Equity: As of September 30, 2021: ¥ 1,747 million
As of March 31, 2021: ¥ 1,205 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, 2021	-	0.00	-	5.00	5.00
Fiscal year ending March 31, 2022	-	15.00			
Fiscal year ending March 31, 2022 (Forecast)			-	15.00	30.00

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

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2022 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2022(April 01, 2021 to March 31, 2022)

(% 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	9,000	18.4	1,660	75.9	1,630	78.9	1,060	91.8	119.42

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2021

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

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(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: 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):

September 30, 2021: 8,896,800 shares

March 31, 2021: 8,839,200 shares

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

September 30, 2021: 101 shares

March 31, 2021: 60 shares

3) Average number of shares during the period:

Six months ended September 30, 2021: 8,855,105 shares

Six months ended September 30, 2020: 8,804,073 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2021	As of September 30,2021
Assets		
Current assets		
Cash and deposits	1,103,317	1,171,171
Accrued guarantee	919,340	646,484
Accounts receivable commission	42,302	47,807
Advances paid of subrogation	4,991,217	4,835,154
Advances paid of collection	1,069,894	1,276,080
Supplies	11,999	9,974
Other	304,745	305,460
Allowance for doubtful accounts	(2,341,200)	(2,227,500)
Total current assets	6,101,616	6,064,633
Non-current assets		
Property, plant and equipment	252,216	438,134
Intangible assets		
Other	329,894	290,995
Total intangible assets	329,894	290,995
Investments and other assets		
Deferred tax assets	1,247,238	1,209,560
Other	447,204	499,154
Allowance for doubtful accounts	(224,015)	(311,896)
Total investments and other assets	1,470,427	1,396,818
Total non-current assets	2,052,538	2,125,947
Total assets	8,154,155	8,190,581

(Thousand yen)

	As of March 31,2021	As of September 30,2021
Liabilities		
Current liabilities		
Short-term borrowings	2,750,000	2,350,000
Current portion of long-term borrowings	60,048	66,720
Lease obligations	41,621	43,009
Accounts payable of collection	800,643	840,601
Accounts payable - other	465,546	373,574
Income taxes payable	379,335	266,138
Advances received	1,925,944	1,973,150
Provision for bonuses	99,400	109,536
Other	215,729	155,192
Total current liabilities	6,738,269	6,177,923
Non-current liabilities		
Long-term borrowings	59,808	121,444
Lease obligations	102,104	85,555
Provision for retirement benefits for directors (and other officers)	5,015	3,612
Asset retirement obligations	42,598	53,014
Other	882	1,567
Total non-current liabilities	210,408	265,194
Total liabilities	6,948,677	6,443,118
Net assets		
Shareholders' equity		
Share capital	714,558	716,372
Capital surplus	289,558	291,372
Retained earnings	201,447	739,826
Treasury shares	(49)	(89)
Total shareholders' equity	1,205,514	1,747,482
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(37)	(20)
Total accumulated other comprehensive income	(37)	(20)
Total net assets	1,205,477	1,747,462
Total liabilities and net assets	8,154,155	8,190,581

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousand yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Net sales	3,498,789	4,369,552
Cost of sales	735,135	980,298
Gross profit	2,763,654	3,389,253
Selling, general and administrative expenses	2,435,665	2,505,893
Operating profit	327,988	883,360
Non-operating income		
Interest income	408	8
Dividend income	10	10
Subsidy income	2,000	-
Recoveries of written off receivables	195	189
Other	251	408
Total non-operating income	2,865	616
Non-operating expenses		
Interest expenses	16,676	14,111
Loss on assignment of receivables	6,011	-
Other	1,482	1,583
Total non-operating expenses	24,171	15,695
Ordinary profit	306,682	868,281
Extraordinary income		
Refund of surcharges	573	-
Gain on sale of non-current assets	-	18
Total extraordinary income	573	18
Extraordinary losses		
Impairment losses	2,171	-
Loss on retirement of non-current assets	133	210
Total extraordinary losses	2,305	210
Profit before income taxes	304,950	868,090
Income taxes - current	130,822	247,837
Income taxes - deferred	(18,350)	37,677
Total income taxes	112,472	285,515
Profit	192,478	582,574
Profit attributable to owners of parent	192,478	582,574

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

(Thousand yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Profit	192,478	582,574
Other comprehensive income		
Valuation difference on available-for-sale securities	(14)	17
Total other comprehensive income	(14)	17
Comprehensive income	192,464	582,591
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	192,464	582,591

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2020	For the six months ended September 30,2021
Cash flows from operating activities		
Profit before income taxes	304,950	868,090
Depreciation	81,814	84,098
Impairment losses	2,171	-
Increase (decrease) in allowance for doubtful accounts	272,384	(25,818)
Interest and dividend income	(418)	(18)
Interest expenses	16,676	14,111
Refund of surcharges	(573)	-
Decrease (increase) in trade receivables	254,853	267,310
Loss on retirement of non-current assets	133	210
Loss (gain) on sale of non-current assets	-	(18)
Increase (decrease) in advances paid of subrogation	63,041	68,221
Increase (decrease) in advances paid of collection	(364,381)	(206,186)
Decrease (increase) in inventories	(1,620)	2,024
Increase (decrease) in advances received	(65,408)	47,206
Increase (decrease) in provision for bonuses	1,554	10,136
Increase (decrease) in provision for retirement benefits for directors (and other officers)	975	(1,403)
Increase (decrease) in accounts payable of collect	(85,123)	39,958
Share issuance costs	691	990
Other, net	(59,799)	(178,976)
Subtotal	421,923	989,936
Interest and dividends received	418	18
Interest paid	(16,556)	(14,103)
Income taxes paid	(143,591)	(359,153)
Payments for penalty	(44,206)	-
Net cash provided by (used in) operating activities	217,987	616,698
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,254)	(175,964)
Proceeds from sale of property, plant and equipment	-	18
Purchase of intangible assets	(17,179)	(21,549)
Other, net	6,151	43,009
Net cash provided by (used in) investing activities	(26,282)	(154,484)
Cash flows from financing activities		
Proceeds from long-term borrowings	-	100,000
Net increase (decrease) in short-term borrowings	-	(400,000)
Repayments of long-term borrowings	(30,024)	(31,692)
Proceeds from issuance of shares	-	2,638
Payments for issuance of shares	(87)	-
Purchase of treasury shares	-	(39)
Dividends paid	-	(44,195)
Repayments of finance lease obligations	(20,160)	(21,071)
Net cash provided by (used in) financing activities	(50,271)	(394,359)
Net increase (decrease) in cash and cash equivalents	141,433	67,853
Cash and cash equivalents at beginning of period	979,058	1,103,317
Cash and cash equivalents at end of period	1,120,492	1,171,171