

Translation

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Summary of Consolidated Financial Results for the Three Months Ended September 30, 2021 (Based on Japanese GAAP)

November 11, 2021

Company name: Japan Living Warranty Inc.
 Stock exchange listing: Tokyo
 Stock code: 7320 URL <https://jlw.jp>
 Representative: Representative director and president Yoshitaka Adachi
 Director, General Manager of Administration
 Inquiries: Atsushi Yoshikawa TEL 03-6276-0401
 Headquarters
 Scheduled date to file Quarterly Securities Report: November 11, 2021
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the three months ended September 30, 2021 (from July 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	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 September 30, 2021	895	55.3	329	421.1	350	160.2	238	168.1
Three months ended September 30, 2020	576	–	63	–	134	–	88	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended September 30, 2021	47.65		47.09	
Three months ended September 30, 2020	17.76		17.39	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	14,737	988	6.7
As of June 30, 2021	14,469	779	5.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended June 30, 2021	–	0.00	–	10.00	10.00
Year ending June 30, 2022	–				
Year ending June 30, 2022 (Forecast)		0.00	–	10.00	10.00

3. Forecast of consolidated financial results for the year ending June 30, 2022 (from July 1, 2021 to June 30, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending December 31, 2021	1,510	26.3	330	105.8	375	56.6	245	57.0	48.97
Full year	3,100	18.1	610	59.7	710	54.9	465	91.2	92.96

4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 30, 2021
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2021	5,058,300 shares	As of June 30, 2021	5,058,300 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	50,136 shares	As of June 30, 2021	56,175 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2021	5,002,191 shares	Three months ended September 30, 2020	5,004,183 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	5,547,736	4,593,890
Accounts receivable - trade	55,872	56,487
Securities	125,052	156,178
Money held in trust	199,902	199,902
Prepaid expenses	346,311	379,699
Advances paid	751,332	944,277
Other	286,899	300,170
Total current assets	7,313,106	6,630,605
Non-current assets		
Property, plant and equipment	310,679	308,142
Intangible assets	139,645	154,067
Investments and other assets		
Investment securities	964,329	999,923
Investments in capital	200,010	100,010
Guarantee deposits	1,165,095	1,165,095
Long-term prepaid expenses	2,111,791	2,274,108
Investment property, net	1,900,882	2,712,346
Other	363,289	392,587
Total investments and other assets	6,705,397	7,644,071
Total non-current assets	7,155,723	8,106,282
Deferred assets	517	517
Total assets	14,469,346	14,737,405

(Thousands of yen)

	As of June 30, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	74,701	72,925
Current portion of long-term borrowings	33,880	53,272
Income taxes payable	222,602	118,673
Unearned revenue	1,193,301	1,328,965
Deposits received	1,508,352	380,757
Provision for bonuses	79,700	10,449
Provision for bonuses for directors (and other officers)	20,000	–
Other	324,726	193,635
Total current liabilities	3,457,265	2,158,680
Non-current liabilities		
Long-term borrowings	619,001	1,017,523
Long-term unearned revenue	5,693,016	6,191,142
Long-term deposits received	3,873,866	4,331,089
Provision for point card certificates	6,322	6,098
Other	40,554	44,082
Total non-current liabilities	10,232,760	11,589,935
Total liabilities	13,690,025	13,748,615
Net assets		
Shareholders' equity		
Share capital	211,826	211,826
Capital surplus	186,826	190,787
Retained earnings	445,766	634,137
Treasury shares	(120,382)	(107,446)
Total shareholders' equity	724,036	929,304
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55,284	59,485
Total accumulated other comprehensive income	55,284	59,485
Total net assets	779,321	988,789
Total liabilities and net assets	14,469,346	14,737,405

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2020	Three months ended September 30, 2021
Net sales	576,983	895,911
Cost of sales	248,840	241,809
Gross profit	328,142	654,102
Selling, general and administrative expenses	264,960	324,862
Operating profit	63,181	329,239
Non-operating income		
Interest income	880	1,083
Dividend income	19	–
Rental income from investment property	15,595	31,750
Gain on sale of securities	53,773	–
Other	7,243	5,714
Total non-operating income	77,511	38,548
Non-operating expenses		
Interest expenses	347	1,333
Rent expenses of real estate for investment	5,688	15,889
Other	28	260
Total non-operating expenses	6,064	17,483
Ordinary profit	134,628	350,304
Profit before income taxes	134,628	350,304
Income taxes	45,720	111,912
Profit	88,907	238,392
Profit attributable to owners of parent	88,907	238,392

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2020	Three months ended September 30, 2021
Profit	88,907	238,392
Other comprehensive income		
Valuation difference on available-for-sale securities	13,250	4,200
Total other comprehensive income	13,250	4,200
Comprehensive income	102,157	242,592
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	102,157	242,592