

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended March 31, 2022 (Based on Japanese GAAP)

May 11, 2022

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: May 11, 2022
 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 nine months ended March 31, 2022 (from July 1, 2021 to March 31, 2022)

(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	%
Nine months ended March 31, 2022	2,420	26.4	570	75.5	661	56.1	452	60.2
Nine months ended March 31, 2021	1,914	–	325	–	423	–	282	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended March 31, 2022	90.57		89.49	
Nine months ended March 31, 2021	56.61		55.41	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	15,156	1,125	7.4
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	–	0.00	–		
Year ending June 30, 2022 (Forecast)				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
Full year	3,200	21.9	700	83.3	800	74.6	530	117.9	105.89

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended March 31, 2022
 (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 March 31, 2022	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 March 31, 2022	100,262 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)

Nine months ended March 31, 2022	5,000,761 shares	Nine months ended March 31, 2021	4,995,355 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	5,547,736	3,365,672
Accounts receivable - trade	55,872	68,079
Securities	125,052	65,469
Money held in trust	199,902	199,902
Prepaid expenses	346,311	407,269
Advances paid	751,332	1,294,932
Other	286,899	290,199
Total current assets	7,313,106	5,691,525
Non-current assets		
Property, plant and equipment	310,679	557,749
Intangible assets	139,645	180,601
Investments and other assets		
Investment securities	964,329	1,127,854
Investments in capital	200,010	100,010
Guarantee deposits	1,165,095	785,095
Long-term prepaid expenses	2,111,791	2,350,931
Investment property, net	1,900,882	3,940,358
Other	363,289	421,633
Total investments and other assets	6,705,397	8,725,884
Total non-current assets	7,155,723	9,464,235
Deferred assets	517	517
Total assets	14,469,346	15,156,278

(Thousands of yen)

	As of June 30, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	74,701	72,690
Current portion of long-term borrowings	33,880	69,892
Income taxes payable	222,602	106,758
Unearned revenue	1,193,301	1,434,821
Deposits received	1,508,352	386,418
Provision for bonuses	79,700	40,634
Provision for bonuses for directors (and other officers)	20,000	–
Other	324,726	226,306
Total current liabilities	3,457,265	2,337,521
Non-current liabilities		
Long-term borrowings	619,001	1,387,282
Long-term unearned revenue	5,693,016	6,705,721
Long-term deposits received	3,873,866	3,541,403
Provision for point card certificates	6,322	5,671
Other	40,554	53,319
Total non-current liabilities	10,232,760	11,693,397
Total liabilities	13,690,025	14,030,918
Net assets		
Shareholders' equity		
Share capital	211,826	211,826
Capital surplus	186,826	190,787
Retained earnings	445,766	848,667
Treasury shares	(120,382)	(200,195)
Total shareholders' equity	724,036	1,051,086
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	55,284	74,273
Total accumulated other comprehensive income	55,284	74,273
Total net assets	779,321	1,125,359
Total liabilities and net assets	14,469,346	15,156,278

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended March 31, 2021	Nine months ended March 31, 2022
Net sales	1,914,982	2,420,219
Cost of sales	732,374	806,906
Gross profit	1,182,608	1,613,312
Selling, general and administrative expenses	857,409	1,042,581
Operating profit	325,198	570,731
Non-operating income		
Interest income	5,821	9,255
Dividend income	135	–
Gain on sale of securities	53,789	–
Rental income from investment property	62,446	117,582
Other	13,033	34,525
Total non-operating income	135,225	161,362
Non-operating expenses		
Interest expenses	2,135	5,375
Rent expenses of real estate for investment	32,137	54,375
Other	2,702	11,238
Total non-operating expenses	36,976	70,989
Ordinary profit	423,448	661,105
Profit before income taxes	423,448	661,105
Income taxes	140,637	208,182
Profit	282,810	452,922
Profit attributable to owners of parent	282,810	452,922

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended March 31, 2021	Nine months ended March 31, 2022
Profit	282,810	452,922
Other comprehensive income		
Valuation difference on available-for-sale securities	43,270	18,988
Total other comprehensive income	43,270	18,988
Comprehensive income	326,080	471,911
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	326,080	471,911