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Consolidated Financial Results for the Six Months Ended September 30, 2022 [Japanese GAAP]

October 28, 2022

Company name: eGuarantee, Inc.

Stock exchange listing: Tokyo

Code number: 8771

URL: <https://www.eguarantee.co.jp/>

Representative: Masanori Eto

President and Chief Executive Officer

Contact: Nozomu Murai

Director, General Manager of Corporate Administration Dept.

Phone: 03-6327-3609

Scheduled date of filing quarterly securities report: November 14, 2022

Scheduled date of commencing dividend payments: -

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, 2022 (April 01, 2022 to September 30, 2022)

(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, 2022	4,150	7.9	2,017	11.8	2,054	13.6	1,402	18.9
September 30, 2021	3,847	11.5	1,805	20.1	1,809	19.7	1,179	21.5

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 1,475 million [15.7%]
Six months ended September 30, 2021: ¥ 1,274 million [27.9%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2022	29.77	28.93
September 30, 2021	25.45	24.61

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
September 30, 2022	25,748	20,283	72.8	396.66
March 31, 2022	25,256	19,716	71.9	387.62

(Reference) Equity: As of September 30, 2022: ¥ 18,741 million
As of March 31, 2022: ¥ 18,157 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, 2022	-	0.00	-	26.00	26.00
Fiscal year ending March 31, 2023	-	0.00			
Fiscal year ending March 31, 2023 (Forecast)			-	26.00	26.00

(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, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023(April 01, 2022 to March 31, 2023)

(% 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	8,800	11.5	4,150	11.2	4,200	11.7	2,750	11.6	58.70

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

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2022

(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: 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):

September 30, 2022: 47,249,800 shares

March 31, 2022: 46,845,400 shares

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

September 30, 2022: 1,534 shares

March 31, 2022: 1,434 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 47,113,784 shares

Six months ended September 30, 2021: 46,352,790 shares

(5) Guarantee liabilities for guarantee services against sales credit

Guarantee liabilities for guarantee services against sales credit 618.8billion yen

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31,2022	As of September 30,2022
Assets		
Current assets		
Cash and deposits	17,295,011	15,699,366
Accounts receivable - trade	75,267	84,332
Securities	1,200,000	-
Prepaid expenses	974,048	1,673,211
Accounts receivable - other	31,680	135,789
Other	119,548	167,565
Total current assets	19,695,557	17,760,266
Non-current assets		
Property, plant and equipment	1,381,386	1,772,049
Intangible assets	125,027	144,890
Investments and other assets		
Investment securities	3,426,737	5,434,164
Deferred tax assets	257,533	257,533
Other	369,831	379,273
Total investments and other assets	4,054,102	6,070,971
Total non-current assets	5,560,516	7,987,910
Total assets	25,256,073	25,748,176
Liabilities		
Current liabilities		
Accounts payable - trade	11,253	13,296
Income taxes payable	699,475	622,038
Advances received	3,877,049	3,863,062
Provision for settlement	433,856	461,022
Provision for bonuses	200,000	208,257
Deposits received	32,587	33,796
Other	169,610	147,542
Total current liabilities	5,423,832	5,349,016
Non-current liabilities		
Long-term accounts payable - other	115,282	115,282
Total non-current liabilities	115,282	115,282
Total liabilities	5,539,115	5,464,299
Net assets		
Shareholders' equity		
Share capital	3,509,710	3,709,252
Capital surplus	2,919,710	3,119,252
Retained earnings	11,729,322	11,914,086
Treasury shares	(877)	(877)
Total shareholders' equity	18,157,864	18,741,713
Share acquisition rights	155,261	152,917
Non-controlling interests	1,403,831	1,389,247
Total net assets	19,716,958	20,283,877
Total liabilities and net assets	25,256,073	25,748,176

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 30,2021	For the six months ended September 30,2022
Net sales	3,847,599	4,150,574
Cost of sales	864,629	826,368
Gross profit	2,982,969	3,324,206
Selling, general and administrative expenses	1,177,843	1,306,533
Operating profit	1,805,125	2,017,672
Non-operating income		
Interest income	5,885	10,324
Share of profit of entities accounted for using equity method	-	24,629
Other	1,249	1,916
Total non-operating income	7,134	36,869
Non-operating expenses		
Share of loss of entities accounted for using equity method	3,086	-
Miscellaneous losses	31	241
Total non-operating expenses	3,118	241
Ordinary profit	1,809,142	2,054,300
Profit before income taxes	1,809,142	2,054,300
Income taxes	534,426	579,197
Profit	1,274,716	1,475,102
Profit attributable to non-controlling interests	94,982	72,395
Profit attributable to owners of parent	1,179,734	1,402,707

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

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Profit	1,274,716	1,475,102
Comprehensive income	1,274,716	1,475,102
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,179,734	1,402,707
Comprehensive income attributable to non-controlling interests	94,982	72,395