

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2022 (Based on Japanese GAAP)

November 4, 2022

Company name: JACCS CO., LTD
 Stock exchange listing: Tokyo
 Stock code: 8584 URL <https://www.jaccs.co.jp/>
 Representative: President and Representative Director Murakami Ryo
 Director and Senior Managing Executive
 Inquiries: Saitou Takashi TEL 03-5448-1311
 Officer
 Scheduled date to file Quarterly Securities Report: November 9, 2022
 Scheduled date to commence dividend payments: November 30, 2022
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Operating revenue		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2022	85,297	4.3	16,385	17.6	16,422	17.0	11,108	14.4
Six months ended September 30, 2021	81,780	2.2	13,937	161.4	14,039	159.3	9,708	106.2

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	320.53	319.20
Six months ended September 30, 2021	280.51	279.28

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	3,360,233	203,706	5.9
As of March 31, 2022	3,215,006	192,217	5.8

Note: Previously, the Company presented guarantee obligations on loans and other debt held by financial institutions as well as the balance of guarantees related to receivable collection services as accounts receivable - installment sales - credit guarantee and accounts payable - credit guarantee on the consolidated balance sheets. However, the Company made a change in accounting treatment from the first quarter of the fiscal year ending March 31, 2023 and these figures are no longer presented on the consolidated balance sheets. The aforementioned change in accounting policy has been applied retroactively, and the figures for total assets and equity ratio presented for the fiscal year ended March 31, 2022 are those after retroactive application of this change.

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2022	—	75.00	—	85.00	160.00
Year ending March 31, 2023	—	95.00	—	—	—
Year ending March 31, 2023 (Forecast)	—	—	—	90.00	185.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

Percentages indicate year-on-year changes

	Operating revenue		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	171,500	4.5	30,500	14.0	30,500	13.9	20,500	11.9	591.54

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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: No
- (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: No
- Changes in accounting policies due to other reasons: Yes
- 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, 2022	35,079,161 shares	As of March 31, 2022	35,079,161 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	408,062 shares	As of March 31, 2022	431,193 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2022	34,655,236 shares	Six months ended September 30, 2021	34,611,785 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	138,790	150,632
Accounts receivable - installment	2,776,898	2,933,913
Investments in leases	144,332	140,162
Prepaid expenses	3,670	4,359
Advances paid	49,868	26,469
Accounts receivable - other	13,294	14,617
Other	28,212	29,644
Allowance for doubtful accounts	(28,575)	(28,966)
Total current assets	3,126,491	3,270,832
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,162	9,498
Accumulated depreciation	(6,004)	(6,249)
Buildings and structures, net	3,158	3,248
Land	14,986	14,986
Other	11,389	11,862
Accumulated depreciation	(6,283)	(6,707)
Other, net	5,106	5,155
Total property, plant and equipment	23,250	23,389
Intangible assets		
Goodwill	563	455
Software	25,872	26,727
Other	14	14
Total intangible assets	26,450	27,198
Investments and other assets		
Investment securities	19,771	18,932
Bad debts	833	884
Long-term prepaid expenses	4,013	4,232
Deferred tax assets	3,189	3,136
Guarantee deposits	1,475	1,447
Retirement benefit asset	7,507	7,666
Other	2,690	3,157
Allowance for doubtful accounts	(668)	(643)
Total investments and other assets	38,813	38,813
Total non-current assets	88,514	89,400
Total assets	3,215,006	3,360,233

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	200,092	220,215
Short-term borrowings	312,515	325,188
Current portion of bonds payable	47,370	53,406
Current portion of long-term borrowings	177,952	174,282
Current portion of long-term loans payable for receivable securitization	183,078	203,477
Commercial papers	423,500	443,500
Accounts payable - other	3,797	4,438
Accrued expenses	2,167	2,095
Income taxes payable	4,512	4,866
Deposits received	73,880	73,026
Unearned revenue	1,280	1,185
Provision for bonuses	2,818	2,832
Provision for point card certificates	2,655	2,799
Provision for loss on guarantees	1,243	1,174
Deferred installment income	204,448	214,573
Other	29,378	28,879
Total current liabilities	1,670,693	1,755,942
Non-current liabilities		
Bonds payable	230,314	215,391
Long-term borrowings	708,064	726,125
Long-term loans payable for receivable securitization	409,036	454,902
Provision for retirement benefits for directors (and other officers)	4	–
Provision for loss on interest repayment	642	668
Retirement benefit liability	21	18
Long-term guarantee deposits	1,961	1,748
Other	2,049	1,729
Total non-current liabilities	1,352,095	1,400,584
Total liabilities	3,022,789	3,156,526
Net assets		
Shareholders' equity		
Share capital	16,138	16,138
Capital surplus	30,513	30,540
Retained earnings	131,649	139,812
Treasury shares	(982)	(929)
Total shareholders' equity	177,319	185,561
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,880	8,328
Deferred gains or losses on hedges	(420)	(265)
Foreign currency translation adjustment	(238)	2,274
Remeasurements of defined benefit plans	1,074	948
Total accumulated other comprehensive income	9,296	11,286
Share acquisition rights	226	226
Non-controlling interests	5,375	6,632
Total net assets	192,217	203,706
Total liabilities and net assets	3,215,006	3,360,233

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Operating revenue		
Operating revenues	81,400	84,676
Financial revenue		
Interest income	65	10
Dividend income	314	383
Other financial revenue	–	226
Total financial revenue	380	620
Total operating revenue	81,780	85,297
Operating expenses		
Selling, general and administrative expenses	60,285	61,666
Financial expenses		
Interest on borrowings	5,521	5,873
Interest on commercial papers	138	129
Other financial expenses	1,897	1,242
Total financial expenses	7,557	7,245
Total operating expenses	67,842	68,911
Operating profit	13,937	16,385
Non-operating income		
Miscellaneous income	110	46
Total non-operating income	110	46
Non-operating expenses		
Miscellaneous losses	8	8
Total non-operating expenses	8	8
Ordinary profit	14,039	16,422
Extraordinary income		
Gain on sale of non-current assets	1	–
Gain on sale of investment securities	110	–
Total extraordinary income	111	–
Extraordinary losses		
Loss on retirement of non-current assets	7	9
Loss on sale of investment securities	–	4
Total extraordinary losses	7	14
Profit before income taxes	14,144	16,408
Income taxes - current	3,892	4,558
Income taxes - deferred	510	404
Total income taxes	4,403	4,963
Profit	9,741	11,445
Profit attributable to non-controlling interests	32	337
Profit attributable to owners of parent	9,708	11,108

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Profit	9,741	11,445
Other comprehensive income		
Valuation difference on available-for-sale securities	572	(551)
Deferred gains or losses on hedges	681	258
Foreign currency translation adjustment	1,046	3,320
Remeasurements of defined benefit plans, net of tax	(77)	(117)
Total other comprehensive income	2,222	2,909
Comprehensive income	11,963	14,355
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,433	13,098
Comprehensive income attributable to non-controlling interests	529	1,256

Quarterly Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	124,877	135,721
Accounts receivable - installment	2,667,215	2,799,380
Prepaid expenses	1,102	1,105
Short-term loans receivable from subsidiaries and associates	54,270	57,644
Advances paid	49,771	26,372
Accounts receivable - other	11,468	12,021
Other	22,795	22,517
Allowance for doubtful accounts	(21,079)	(20,384)
Total current assets	2,910,421	3,034,379
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,687	8,894
Accumulated depreciation	(5,680)	(5,791)
Buildings and structures, net	3,007	3,102
Tools, furniture and fixtures	2,520	2,572
Accumulated depreciation	(1,917)	(2,049)
Tools, furniture and fixtures, net	603	522
Land	14,828	14,828
Other	522	475
Accumulated depreciation	(365)	(334)
Other, net	156	140
Total property, plant and equipment	18,596	18,594
Intangible assets		
Goodwill	500	400
Software	24,430	25,248
Other	12	12
Total intangible assets	24,943	25,661
Investments and other assets		
Investment securities	19,771	18,932
Shares of subsidiaries and associates	16,071	16,071
Investments in capital of subsidiaries and associates	4,289	4,289
Long-term loans receivable from employees	45	46
Long-term loans receivable from subsidiaries and associates	113,326	109,536
Bad debts	833	884
Long-term prepaid expenses	206	191
Deferred tax assets	1,865	1,773
Guarantee deposits	1,301	1,262
Prepaid pension costs	5,877	6,264
Other	1,989	2,097
Allowance for doubtful accounts	(668)	(643)
Total investments and other assets	164,909	160,706
Total non-current assets	208,450	204,962
Total assets	3,118,872	3,239,342

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Notes payable - trade	133,705	155,281
Accounts payable - trade	58,435	56,633
Short-term borrowings	290,985	295,196
Current portion of bonds payable	40,000	45,000
Current portion of long-term borrowings	156,591	151,340
Current portion of long-term loans payable for receivable securitization	183,078	203,477
Commercial papers	423,500	443,500
Accounts payable - other	3,491	3,483
Accrued expenses	1,357	1,380
Income taxes payable	3,842	4,128
Deposits received	72,791	70,922
Unearned revenue	937	786
Provision for bonuses	2,629	2,638
Provision for point card certificates	2,655	2,799
Provision for loss on guarantees	1,243	1,154
Deferred installment income	197,944	204,753
Other	27,968	27,393
Total current liabilities	1,601,159	1,669,868
Non-current liabilities		
Bonds payable	229,929	214,953
Long-term borrowings	692,693	707,589
Long-term loans payable for receivable securitization	409,036	454,902
Provision for loss on interest repayment	642	668
Long-term guarantee deposits	1,961	1,748
Other	355	349
Total non-current liabilities	1,334,619	1,380,211
Total liabilities	2,935,779	3,050,079
Net assets		
Shareholders' equity		
Share capital	16,138	16,138
Capital surplus		
Legal capital surplus	30,468	30,468
Other capital surplus	29	56
Total capital surplus	30,498	30,525
Retained earnings		
Legal retained earnings	2,572	2,572
Other retained earnings		
General reserve	43,229	43,229
Retained earnings brought forward	82,530	89,172
Total retained earnings	128,331	134,973
Treasury shares	(982)	(929)
Total shareholders' equity	173,986	180,707
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	8,880	8,328
Total valuation and translation adjustments	8,880	8,328
Share acquisition rights	226	226
Total net assets	183,092	189,262
Total liabilities and net assets	3,118,872	3,239,342

Non-consolidated statements of income

(Millions of yen)

	Six months ended September 30, 2021	Six months ended September 30, 2022
Operating revenue		
Operating revenues	67,751	69,590
Financial revenue		
Interest income	520	485
Dividend income	725	884
Other financial revenue	13	62
Total financial revenue	1,259	1,432
Total operating revenue	69,011	71,023
Operating expenses		
Selling, general and administrative expenses	52,058	52,098
Financial expenses		
Interest on borrowings	3,519	3,866
Interest on commercial papers	138	129
Other financial expenses	884	1,117
Total financial expenses	4,542	5,113
Total operating expenses	56,601	57,212
Operating profit	12,410	13,811
Non-operating income		
Miscellaneous income	30	18
Total non-operating income	30	18
Non-operating expenses		
Miscellaneous losses	4	8
Total non-operating expenses	4	8
Ordinary profit	12,435	13,821
Extraordinary income		
Gain on sale of investment securities	110	–
Total extraordinary income	110	–
Extraordinary losses		
Loss on retirement of non-current assets	7	9
Loss on sale of investment securities	–	4
Total extraordinary losses	7	14
Profit before income taxes	12,539	13,807
Income taxes - current	3,383	3,877
Income taxes - deferred	390	342
Total income taxes	3,773	4,219
Profit	8,765	9,587