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

November 08, 2022

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 08, 2022

Scheduled date of commencing dividend payments: December 01, 2022

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	5,244	20.0	1,217	37.8	1,207	39.1	839	44.2
September 30, 2021	4,369	24.9	883	169.3	868	183.1	582	202.7

(Note) Comprehensive income: Six months ended September 30, 2022: ¥ 839 million [44.1%]
Six months ended September 30, 2021: ¥ 582 million [202.7%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2022	94.28	93.30
September 30, 2021	65.79	64.58

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of September 30, 2022	9,034	2,855	31.6
March 31, 2022	8,832	2,372	26.9

(Reference) Equity: As of September 30, 2022: ¥ 2,855 million
As of March 31, 2022: ¥ 2,372 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	-	15.00	-	25.00	40.00
Fiscal year ending March 31, 2023	-	25.00			
Fiscal year ending March 31, 2023 (Forecast)			-	25.00	50.00

(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	10,450	14.0	2,200	11.6	2,170	11.5	1,480	10.4	166.40

(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: 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: 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: 8,932,000 shares

March 31, 2022: 8,920,000 shares

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

September 30, 2022: 51,070 shares

March 31, 2022: 147 shares

3) Average number of shares during the period:

Six months ended September 30, 2022: 8,907,278 shares

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

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	1,022,308	1,073,052
Accrued guarantee	1,129,067	781,989
Accounts receivable commission	50,039	54,396
Advances paid of subrogation	4,715,199	4,758,910
Advances paid of collection	1,389,066	1,582,862
Supplies	15,528	11,277
Other	344,765	603,469
Allowance for doubtful accounts	(2,066,900)	(1,902,500)
Total current assets	6,599,073	6,963,458
Non-current assets		
Property, plant and equipment	419,528	359,496
Intangible assets		
Other	276,251	252,850
Total intangible assets	276,251	252,850
Investments and other assets		
Deferred tax assets	1,265,574	1,184,303
Other	580,930	648,092
Allowance for doubtful accounts	(308,903)	(373,741)
Total investments and other assets	1,537,601	1,458,655
Total non-current assets	2,233,382	2,071,002
Total assets	8,832,455	9,034,461

(Thousand yen)

	As of March 31,2022	As of September 30,2022
Liabilities		
Current liabilities		
Short-term borrowings	1,800,000	1,700,000
Current portion of long-term borrowings	66,480	36,456
Lease liabilities	43,466	43,713
Accounts payable of collection	828,446	869,778
Accounts payable - other	546,062	488,971
Income taxes payable	414,108	318,147
Advances received	2,194,254	2,162,236
Provision for bonuses	111,095	156,932
Other	243,861	210,631
Total current liabilities	6,247,775	5,986,867
Non-current liabilities		
Long-term borrowings	88,324	84,988
Lease liabilities	63,707	41,842
Provision for retirement benefits for directors (and other officers)	4,597	2,757
Asset retirement obligations	53,826	61,628
Other	1,333	701
Total non-current liabilities	211,789	191,918
Total liabilities	6,459,564	6,178,785
Net assets		
Shareholders' equity		
Share capital	717,103	717,481
Capital surplus	292,103	292,481
Retained earnings	1,363,964	1,980,774
Treasury shares	(179)	(134,945)
Total shareholders' equity	2,372,992	2,855,792
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(101)	(117)
Total accumulated other comprehensive income	(101)	(117)
Total net assets	2,372,891	2,855,675
Total liabilities and net assets	8,832,455	9,034,461

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	4,369,552	5,244,726
Cost of sales	980,298	1,229,381
Gross profit	3,389,253	4,015,345
Selling, general and administrative expenses	2,505,893	2,797,699
Operating profit	883,360	1,217,645
Non-operating income		
Interest income	8	9
Dividend income	10	10
Subsidy income	-	1,830
Recoveries of written off receivables	189	65
Other	408	492
Total non-operating income	616	2,408
Non-operating expenses		
Interest expenses	14,111	10,973
Other	1,583	1,532
Total non-operating expenses	15,695	12,505
Ordinary profit	868,281	1,207,548
Extraordinary income		
Gain on sale of non-current assets	18	-
Total extraordinary income	18	-
Extraordinary losses		
Loss on retirement of non-current assets	210	0
Total extraordinary losses	210	0
Profit before income taxes	868,090	1,207,548
Income taxes - current	247,837	286,470
Income taxes - deferred	37,677	81,270
Total income taxes	285,515	367,741
Profit	582,574	839,807
Profit attributable to owners of parent	582,574	839,807

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	582,574	839,807
Other comprehensive income		
Valuation difference on available-for-sale securities	17	(16)
Total other comprehensive income	17	(16)
Comprehensive income	582,591	839,791
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	582,591	839,791

Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended September 30,2021	For the six months ended September 30,2022
Cash flows from operating activities		
Profit before income taxes	868,090	1,207,548
Depreciation	84,098	88,463
Increase (decrease) in allowance for doubtful accounts	(25,818)	(99,562)
Interest and dividend income	(18)	(19)
Interest expenses	14,111	10,973
Decrease (increase) in trade receivables	267,310	344,360
Loss on retirement of non-current assets	210	0
Loss (gain) on sale of non-current assets	(18)	-
Increase (decrease) in advances paid of subrogation	68,221	(110,187)
Increase (decrease) in advances paid of collection	(206,186)	(193,795)
Decrease (increase) in inventories	2,024	4,250
Increase (decrease) in advances received	47,206	(32,018)
Increase (decrease) in provision for bonuses	10,136	45,837
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1,403)	(1,840)
Increase (decrease) in accounts payable of collect	39,958	41,332
Share issuance costs	990	378
Other, net	(178,976)	(281,624)
Subtotal	989,936	1,024,094
Interest and dividends received	18	19
Interest paid	(14,103)	(10,909)
Income taxes paid	(359,153)	(378,600)
Net cash provided by (used in) operating activities	616,698	634,605
Cash flows from investing activities		
Purchase of property, plant and equipment	(175,964)	(34,429)
Proceeds from sale of property, plant and equipment	18	-
Purchase of intangible assets	(21,549)	(31,540)
Other, net	43,009	(5,280)
Net cash provided by (used in) investing activities	(154,484)	(71,250)
Cash flows from financing activities		
Proceeds from long-term borrowings	100,000	-
Net increase (decrease) in short-term borrowings	(400,000)	(100,000)
Repayments of long-term borrowings	(31,692)	(33,360)
Proceeds from issuance of shares	2,638	377
Purchase of treasury shares	(39)	(134,766)
Dividends paid	(44,195)	(222,996)
Repayments of finance lease liabilities	(21,071)	(21,864)
Net cash provided by (used in) financing activities	(394,359)	(512,610)
Net increase (decrease) in cash and cash equivalents	67,853	50,744
Cash and cash equivalents at beginning of period	1,103,317	1,022,308
Cash and cash equivalents at end of period	1,171,171	1,073,052