

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

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

November 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: November 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 three months ended September 30, 2022 (from July 1, 2022 to September 30, 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	%
Three months ended September 30, 2022	835	(6.8)	133	(59.6)	171	(51.1)	119	(49.7)
Three months ended September 30, 2021	895	55.3	329	421.1	350	160.2	238	168.1

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended September 30, 2022	23.89		23.89	
Three months ended September 30, 2021	47.65		47.09	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	17,187	1,319	7.7
As of June 30, 2022	16,219	1,243	7.7

### 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, 2022	–	0.00	–	10.00	10.00
Year ending June 30, 2023	–				
Year ending June 30, 2023 (Forecast)		0.00	–	10.00	10.00

### 3. Forecast of consolidated financial results for the year ending June 30, 2023 (from July 1, 2022 to June 30, 2023)

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, 2022	1,733	7.7	289	(38.2)	360	(31.4)	243	(31.7)	48.68
Full year	3,953	19.6	860	32.2	1,010	31.6	685	25.4	137.23

4. Notes

- (1) Changes in significant subsidiaries during the three 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: 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, 2022	5,118,300 shares	As of June 30, 2022	5,118,300 shares
--------------------------	------------------	---------------------	------------------

Number of treasury shares at the end of the period

As of September 30, 2022	100,729 shares	As of June 30, 2022	100,662 shares
--------------------------	----------------	---------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2022	5,017,622 shares	Three months ended September 30, 2021	5,002,191 shares
---------------------------------------	------------------	---------------------------------------	------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of June 30, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	3,399,821	3,099,110
Accounts receivable - trade	71,334	62,423
Securities	158,521	102,012
Money held in trust	199,902	99,902
Prepaid expenses	460,317	462,451
Advances paid	1,694,100	1,793,465
Other	247,776	253,776
Total current assets	6,231,774	5,873,142
Non-current assets		
Property, plant and equipment	978,661	696,396
Intangible assets	214,710	228,240
Investments and other assets		
Investment securities	1,097,431	1,216,326
Investments in capital	100,000	100,000
Guarantee deposits	914,461	914,461
Long-term prepaid expenses	2,337,347	2,518,812
Investment property, net	3,956,700	5,143,635
Other	388,182	495,538
Total investments and other assets	8,794,123	10,388,774
Total non-current assets	9,987,494	11,313,410
Deferred assets	517	517
Total assets	16,219,786	17,187,070

(Thousands of yen)

	As of June 30, 2022	As of September 30, 2022
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	65,205	70,865
Current portion of long-term borrowings	69,892	95,900
Income taxes payable	60,197	57,528
Unearned revenue	1,496,729	1,575,414
Deposits received	498,936	536,073
Provision for bonuses	84,634	1,150
Other	399,819	263,652
<b>Total current liabilities</b>	<b>2,675,414</b>	<b>2,600,584</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,369,809	1,960,860
Long-term unearned revenue	7,071,730	7,366,664
Long-term deposits received	3,798,093	3,873,209
Provision for point card certificates	5,812	5,780
Other	55,040	60,303
<b>Total non-current liabilities</b>	<b>12,300,485</b>	<b>13,266,817</b>
<b>Total liabilities</b>	<b>14,975,900</b>	<b>15,867,402</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	212,336	212,336
Capital surplus	191,297	191,297
Retained earnings	970,294	1,040,010
Treasury shares	(201,042)	(201,199)
<b>Total shareholders' equity</b>	<b>1,172,885</b>	<b>1,242,444</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	70,999	77,223
<b>Total accumulated other comprehensive income</b>	<b>70,999</b>	<b>77,223</b>
<b>Total net assets</b>	<b>1,243,885</b>	<b>1,319,668</b>
<b>Total liabilities and net assets</b>	<b>16,219,786</b>	<b>17,187,070</b>

**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, 2021	Three months ended September 30, 2022
Net sales	895,911	835,077
Cost of sales	241,809	249,595
Gross profit	654,102	585,481
Selling, general and administrative expenses	324,862	452,382
Operating profit	329,239	133,099
Non-operating income		
Interest income	1,083	2,179
Rental income from investment property	31,750	57,403
Foreign exchange gains	–	9,364
Other	5,714	14,645
Total non-operating income	38,548	83,591
Non-operating expenses		
Interest expenses	1,333	3,143
Loss on transactions of futures markets	192	7,116
Rent expenses of real estate for investment	15,889	35,104
Other	68	–
Total non-operating expenses	17,483	45,365
Ordinary profit	350,304	171,325
Profit before income taxes	350,304	171,325
Income taxes	111,912	51,433
Profit	238,392	119,892
Profit attributable to owners of parent	238,392	119,892

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022
Profit	238,392	119,892
Other comprehensive income		
Valuation difference on available-for-sale securities	4,200	6,223
Total other comprehensive income	4,200	6,223
Comprehensive income	242,592	126,116
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	242,592	126,116