

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 Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 2, 2023

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: Officer Saitou Takashi TEL 03-5448-1311
 Scheduled date to file Quarterly Securities Report: February 9, 2023
 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 December 31, 2022 (from April 1, 2022 to December 31, 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	%
Nine months ended December 31, 2022	129,443	5.4	26,213	18.6	26,296	18.2	18,125	18.6
Nine months ended December 31, 2021	122,864	2.1	22,100	85.8	22,239	84.8	15,284	66.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	522.95	520.79
Nine months ended December 31, 2021	441.47	439.55

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	3,388,722	210,929	6.0
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 nine months ended December 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: 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 December 31, 2022	35,079,161 shares	As of March 31, 2022	35,079,161 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2022	408,298 shares	As of March 31, 2022	431,193 shares
-------------------------	----------------	----------------------	----------------

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

Nine months ended December 31, 2022	34,660,504 shares	Nine months ended December 31, 2021	34,621,378 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	138,790	84,187
Accounts receivable - installment	2,776,898	3,028,625
Investments in leases	144,332	136,851
Prepaid expenses	3,670	4,080
Advances paid	49,868	24,879
Accounts receivable - other	13,294	16,470
Other	28,212	31,141
Allowance for doubtful accounts	(28,575)	(28,428)
Total current assets	3,126,491	3,297,807
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,162	9,611
Accumulated depreciation	(6,004)	(6,346)
Buildings and structures, net	3,158	3,264
Land	14,986	14,986
Other	11,389	11,893
Accumulated depreciation	(6,283)	(6,940)
Other, net	5,106	4,953
Total property, plant and equipment	23,250	23,203
Intangible assets		
Goodwill	563	398
Software	25,872	27,091
Other	14	14
Total intangible assets	26,450	27,503
Investments and other assets		
Investment securities	19,771	21,276
Bad debts	833	683
Long-term prepaid expenses	4,013	4,254
Deferred tax assets	3,189	1,504
Guarantee deposits	1,475	1,442
Retirement benefit asset	7,507	7,755
Other	2,690	3,924
Allowance for doubtful accounts	(668)	(633)
Total investments and other assets	38,813	40,206
Total non-current assets	88,514	90,914
Total assets	3,215,006	3,388,722

(Millions of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	200,092	231,645
Short-term borrowings	312,515	350,783
Current portion of bonds payable	47,370	57,247
Current portion of long-term borrowings	177,952	146,277
Current portion of long-term loans payable for receivable securitization	183,078	204,392
Commercial papers	423,500	456,900
Accounts payable - other	3,797	6,235
Accrued expenses	2,167	2,328
Income taxes payable	4,512	3,044
Deposits received	73,880	75,977
Unearned revenue	1,280	1,214
Provision for bonuses	2,818	1,406
Provision for point card certificates	2,655	2,820
Provision for loss on guarantees	1,243	1,133
Deferred installment income	204,448	221,082
Other	29,378	28,870
Total current liabilities	1,670,693	1,791,360
Non-current liabilities		
Bonds payable	230,314	180,260
Long-term borrowings	708,064	756,802
Long-term loans payable for receivable securitization	409,036	445,170
Provision for retirement benefits for directors (and other officers)	4	-
Provision for loss on interest repayment	642	682
Retirement benefit liability	21	17
Long-term guarantee deposits	1,961	1,713
Other	2,049	1,785
Total non-current liabilities	1,352,095	1,386,431
Total liabilities	3,022,789	3,177,792
Net assets		
Shareholders' equity		
Share capital	16,138	16,138
Capital surplus	30,513	30,540
Retained earnings	131,649	143,536
Treasury shares	(982)	(930)
Total shareholders' equity	177,319	189,284
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,880	10,433
Deferred gains or losses on hedges	(420)	(245)
Foreign currency translation adjustment	(238)	3,353
Remeasurements of defined benefit plans	1,074	885
Total accumulated other comprehensive income	9,296	14,427
Share acquisition rights	226	226
Non-controlling interests	5,375	6,991
Total net assets	192,217	210,929
Total liabilities and net assets	3,215,006	3,388,722

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Operating revenue		
Operating revenues	122,265	128,605
Financial revenue		
Interest income	74	17
Dividend income	525	629
Other financial revenue	–	192
Total financial revenue	599	838
Total operating revenue	122,864	129,443
Operating expenses		
Selling, general and administrative expenses	89,789	92,276
Financial expenses		
Interest on borrowings	8,255	9,179
Interest on commercial papers	203	194
Other financial expenses	2,516	1,578
Total financial expenses	10,974	10,953
Total operating expenses	100,764	103,230
Operating profit	22,100	26,213
Non-operating income		
Miscellaneous income	149	94
Total non-operating income	149	94
Non-operating expenses		
Miscellaneous losses	10	11
Total non-operating expenses	10	11
Ordinary profit	22,239	26,296
Extraordinary income		
Gain on sale of non-current assets	1	–
Gain on sale of investment securities	111	251
Total extraordinary income	112	251
Extraordinary losses		
Loss on retirement of non-current assets	7	18
Loss on sale of investment securities	5	5
Total extraordinary losses	12	24
Profit before income taxes	22,339	26,523
Income taxes - current	5,309	6,727
Income taxes - deferred	1,660	1,220
Total income taxes	6,970	7,947
Profit	15,369	18,576
Profit attributable to non-controlling interests	84	450
Profit attributable to owners of parent	15,284	18,125

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	15,369	18,576
Other comprehensive income		
Valuation difference on available-for-sale securities	524	1,553
Deferred gains or losses on hedges	895	291
Foreign currency translation adjustment	1,431	4,628
Remeasurements of defined benefit plans, net of tax	(111)	(175)
Total other comprehensive income	2,740	6,297
Comprehensive income	18,109	24,873
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	17,319	23,256
Comprehensive income attributable to non-controlling interests	789	1,616