

Translation

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Summary of Consolidated Financial Results for the Six Months Ended December 31, 2022 (Based on Japanese GAAP)

February 10, 2023

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: February 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2022 (from July 1, 2022 to December 31, 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	%
Six months ended December 31, 2022	1,744	8.4	330	(29.4)	402	(23.2)	276	(22.2)
Six months ended December 31, 2021	1,608	34.6	467	191.6	524	119.2	355	127.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended December 31, 2022	55.12		55.12	
Six months ended December 31, 2021	71.05		70.20	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	18,034	1,450	8.0
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	–	0.00			
Year ending June 30, 2023 (Forecast)			–	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
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 six 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: 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 December 31, 2022	5,118,300 shares	As of June 30, 2022	5,118,300 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	101,844 shares	As of June 30, 2022	100,662 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended December 31, 2022	5,017,243 shares	Six months ended December 31, 2021	5,005,161 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	3,399,821	3,317,510
Accounts receivable - trade	71,334	71,884
Securities	158,521	98,056
Money held in trust	199,902	99,902
Prepaid expenses	460,317	483,883
Advances paid	1,694,100	1,981,169
Other	247,776	257,532
Total current assets	6,231,774	6,309,939
Non-current assets		
Property, plant and equipment	978,661	797,152
Intangible assets	214,710	265,070
Investments and other assets		
Investment securities	1,097,431	1,231,709
Investments in capital	100,000	160,000
Guarantee deposits	914,461	1,051,461
Long-term prepaid expenses	2,337,347	2,600,085
Investment property, net	3,956,700	5,127,909
Other	388,182	490,221
Total investments and other assets	8,794,123	10,661,387
Total non-current assets	9,987,494	11,723,610
Deferred assets	517	517
Total assets	16,219,786	18,034,067

(Thousands of yen)

	As of June 30, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	65,205	69,361
Current portion of long-term borrowings	69,892	105,836
Lease liabilities	–	4,238
Income taxes payable	60,197	137,765
Unearned revenue	1,496,729	1,646,922
Deposits received	498,936	433,462
Provision for bonuses	84,634	2,060
Other	399,819	239,383
Total current liabilities	2,675,414	2,639,029
Non-current liabilities		
Long-term borrowings	1,369,809	2,223,293
Lease liabilities	–	16,247
Long-term unearned revenue	7,071,730	7,661,966
Long-term deposits received	3,798,093	3,988,592
Provision for point card certificates	5,812	5,622
Other	55,040	48,910
Total non-current liabilities	12,300,485	13,944,632
Total liabilities	14,975,900	16,583,661
Net assets		
Shareholders' equity		
Share capital	212,336	212,336
Capital surplus	191,297	191,297
Retained earnings	970,294	1,196,706
Treasury shares	(201,042)	(203,208)
Total shareholders' equity	1,172,885	1,397,132
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	70,999	53,273
Total accumulated other comprehensive income	70,999	53,273
Total net assets	1,243,885	1,450,405
Total liabilities and net assets	16,219,786	18,034,067

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Net sales	1,608,961	1,744,426
Cost of sales	494,910	523,453
Gross profit	1,114,051	1,220,972
Selling, general and administrative expenses	646,326	890,938
Operating profit	467,724	330,033
Non-operating income		
Interest income	7,786	4,230
Rental income from investment property	68,607	122,833
Other	17,160	17,938
Total non-operating income	93,553	145,003
Non-operating expenses		
Interest expenses	3,215	7,127
Rent expenses of real estate for investment	28,902	63,253
Other	4,354	1,777
Total non-operating expenses	36,472	72,158
Ordinary profit	524,806	402,877
Profit before income taxes	524,806	402,877
Income taxes	169,177	126,289
Profit	355,628	276,588
Profit attributable to owners of parent	355,628	276,588

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Profit	355,628	276,588
Other comprehensive income		
Valuation difference on available-for-sale securities	23,722	(17,726)
Total other comprehensive income	23,722	(17,726)
Comprehensive income	379,351	258,862
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	379,351	258,862