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## Consolidated Financial Results for the Year Ended March 31, 2023 [Japanese GAAP]

May 9, 2023

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: +81-3-5909-1245

Scheduled date of Annual General Meeting of Shareholders: June 23, 2023

Scheduled date of commencing dividend payments: June 26, 2023

Scheduled date of filing annual securities report: June 26, 2023

Availability of supplementary briefing material on annual financial results: Yes

Schedule of annual financial results briefing session: Yes

(Amounts of less than one millions of yen are rounded down.)

### 1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

#### (1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ended March 31, 2023	10,960	19.6	2,465	25.0	2,465	26.7	1,667	24.4
March 31, 2022	9,162	20.5	1,971	108.8	1,946	113.6	1,340	142.5

(Note) Comprehensive income: Fiscal year ended March 31, 2023: ¥ 1,667 million [ 24.4%]  
Fiscal year ended March 31, 2022: ¥ 1,340 million [ 142.5%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2023	187.46	185.60	57.2	26.5	22.5
March 31, 2022	150.95	148.57	74.9	22.9	21.5

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended March 31, 2023: ¥ - million  
Fiscal year ended March 31, 2022: ¥ - million

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
March 31, 2023	9,755	3,460	35.5	389.50
March 31, 2022	8,832	2,372	26.9	266.02

(Reference) Equity: As of March 31, 2023: ¥ 3,460 million  
As of March 31, 2022: ¥ 2,372 million

#### (3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2023	1,563	(153)	(1,231)	1,201
March 31, 2022	1,339	(288)	(1,131)	1,022

## 2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
March 31, 2022	-	15.00	-	25.00	40.00	356	26.5	19.9
March 31, 2023	-	25.00	-	35.00	60.00	535	32.0	18.3
Fiscal year ending March 31, 2024 (Forecast)	-	35.00	-	35.00	70.00		35.9	

(Note) Breakdown of the year-end dividend for the fiscal year ended March 31, 2023 :

Commemorative dividend	- yen
Special dividend	- yen

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending September 30, 2023	5,870	11.9	1,080	(11.3)	1,060	(12.2)	690	(17.8)	77.67
Full year	12,460	13.7	2,600	5.5	2,570	4.2	1,730	3.8	194.75

\* Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): No

New	-	(Company name:	)
Exclusion:	-	(Company name:	)

(2) 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

(3) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

March 31, 2023:	8,934,400 shares
March 31, 2022:	8,920,000 shares

2) Number of treasury shares at the end of the period:

March 31, 2023:	51,096 shares
March 31, 2022:	147 shares

3) Average number of shares outstanding during the period:

Fiscal Year ended March 31, 2023:	8,894,633 shares
Fiscal Year ended March 31, 2022:	8,878,424 shares

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Non-consolidated Operating Results (% indicates changes from the previous corresponding period.)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2023	10,772	18.5	2,464	23.8	2,462	25.4	1,665	22.5
March 31, 2022	9,089	20.6	1,991	106.4	1,964	112.4	1,358	139.8

Fiscal year ended	Basic earnings per share	Diluted earnings per share
	Yen	Yen
March 31, 2023	187.20	185.35
March 31, 2022	153.06	150.65

(2) Non-consolidated Financial Position

As of	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
March 31, 2023	9,660	3,491	36.1	393.04
March 31, 2022	8,711	2,406	27.6	269.80

(Reference) Equity: As of March 31, 2023: ¥ 3,491 million  
As of March 31, 2022: ¥ 2,406 million

# Consolidated Financial Statements

## Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	1,022,308	1,201,061
Accrued guarantee	1,129,067	1,356,312
Accounts receivable commission	50,039	65,851
Advances paid of subrogation	4,715,199	5,113,651
Advances paid of collection	1,389,066	967,667
Supplies	15,528	15,167
Real estate for sale	-	27,247
Accounts receivable - other	201,576	578,971
Other	143,188	169,305
Allowance for doubtful accounts	(2,066,900)	(1,810,300)
<b>Total current assets</b>	<b>6,599,073</b>	<b>7,684,935</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures	225,115	238,846
Accumulated depreciation	(44,008)	(52,178)
Buildings and structures, net	181,107	186,667
Land	100,014	62,783
Leased assets	193,849	193,849
Accumulated depreciation	(98,941)	(137,711)
Leased assets, net	94,907	56,137
Other	99,116	109,010
Accumulated depreciation	(55,617)	(67,427)
Other, net	43,499	41,582
<b>Total property, plant and equipment</b>	<b>419,528</b>	<b>347,171</b>
Intangible assets		
Software	274,385	223,404
Software in progress	770	198
Leased assets	1,086	319
Other	10	10
<b>Total intangible assets</b>	<b>276,251</b>	<b>223,931</b>
Investments and other assets		
Investment securities	80,176	73,144
Deferred tax assets	1,265,574	1,229,139
Other	500,754	559,701
Allowance for doubtful accounts	(308,903)	(362,111)
<b>Total investments and other assets</b>	<b>1,537,601</b>	<b>1,499,873</b>
<b>Total non-current assets</b>	<b>2,233,382</b>	<b>2,070,976</b>
<b>Total assets</b>	<b>8,832,455</b>	<b>9,755,912</b>

(Thousands of yen)

	As of March 31, 2022	As of March 31, 2023
<b>Liabilities</b>		
Current liabilities		
Short-term borrowings	1,800,000	1,260,000
Current portion of long-term borrowings	66,480	6,672
Lease liabilities	43,466	42,876
Accounts payable of collection	828,446	874,390
Accounts payable - other	546,062	627,504
Income taxes payable	414,108	496,465
Advances received	2,194,254	2,354,385
Provision for bonuses	111,095	169,767
Other	243,861	294,996
Total current liabilities	6,247,775	6,127,058
Non-current liabilities		
Long-term borrowings	88,324	81,652
Lease liabilities	63,707	20,830
Provision for retirement benefits for directors (and other officers)	4,597	4,072
Asset retirement obligations	53,826	61,566
Other	1,333	701
Total non-current liabilities	211,789	168,823
Total liabilities	6,459,564	6,295,881
<b>Net assets</b>		
Shareholders' equity		
Share capital	717,103	717,557
Capital surplus	292,103	292,557
Retained earnings	1,363,964	2,585,042
Treasury shares	(179)	(135,009)
Total shareholders' equity	2,372,992	3,460,147
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	3,460,030
Total liabilities and net assets	8,832,455	9,755,912

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Net sales	9,162,927	10,960,937
Cost of sales	2,095,510	2,649,834
Gross profit	7,067,417	8,311,102
Selling, general and administrative expenses	5,096,173	5,846,076
Operating profit	1,971,243	2,465,026
Non-operating income		
Interest income	18	21
Dividend income	10	1,282
Commission income	2,400	3,200
Subsidy income	350	3,877
Compensation income	-	12,907
Equipment rent	195	255
Reversal of deposits received	264	408
Recoveries of written off receivables	1,130	183
Other	859	2,487
Total non-operating income	5,229	24,622
Non-operating expenses		
Interest expenses	27,384	20,214
Share issuance costs	1,755	1,620
Other	1,176	1,862
Total non-operating expenses	30,317	23,696
Ordinary profit	1,946,154	2,465,952
Extraordinary income		
Gain on differences between the asset retirement obligation balance and the actual retirement costs	-	4,175
Gain on sale of non-current assets	337	-
Total extraordinary income	337	4,175
Extraordinary losses		
Loss on retirement of non-current assets	1,260	748
Loss on valuation of investment securities	-	7,015
Total extraordinary losses	1,260	7,764
Profit before income taxes	1,945,232	2,462,363
Income taxes - current	623,406	758,557
Income taxes - deferred	(18,336)	36,435
Total income taxes	605,070	794,992
Profit	1,340,162	1,667,370
Profit attributable to owners of parent	1,340,162	1,667,370

Consolidated Statements of Comprehensive Income

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
Profit	1,340,162	1,667,370
Other comprehensive income		
Valuation difference on available-for-sale securities	(64)	(16)
Total other comprehensive income	(64)	(16)
Comprehensive income	1,340,098	1,667,354
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,340,098	1,667,354

Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	714,558	289,558	201,447	(49)	1,205,514	(37)	(37)	1,205,477
Changes during period								
Issuance of new shares	2,545	2,545	-	-	5,090	-	-	5,090
Dividends of surplus - other capital surplus	-	-	(177,646)	-	(177,646)	-	-	(177,646)
Profit attributable to owners of parent	-	-	1,340,162	-	1,340,162	-	-	1,340,162
Purchase of treasury shares	-	-	-	(129)	(129)	-	-	(129)
Net changes in items other than shareholders' equity	-	-	-	-	-	(64)	(64)	(64)
Total changes during period	2,545	2,545	1,162,516	(129)	1,167,477	(64)	(64)	1,167,413
Balance at end of period	717,103	292,103	1,363,964	(179)	2,372,992	(101)	(101)	2,372,891

For the fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity					Accumulated other comprehensive income		Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	717,103	292,103	1,363,964	(179)	2,372,992	(101)	(101)	2,372,891
Changes during period								
Issuance of new shares	453	453	-	-	907	-	-	907
Dividends of surplus - other capital surplus	-	-	(446,292)	-	(446,292)	-	-	(446,292)
Profit attributable to owners of parent	-	-	1,667,370	-	1,667,370	-	-	1,667,370
Purchase of treasury shares	-	-	-	(134,830)	(134,830)	-	-	(134,830)
Net changes in items other than shareholders' equity	-	-	-	-	-	(16)	(16)	(16)
Total changes during period	453	453	1,221,078	(134,830)	1,087,155	(16)	(16)	1,087,139
Balance at end of period	717,557	292,557	2,585,042	(135,009)	3,460,147	(117)	(117)	3,460,030



## Consolidated Statements of Cash Flows

(Thousands of yen)

	For the fiscal year ended March 31, 2022	For the fiscal year ended March 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	1,945,232	2,462,363
Depreciation	175,144	183,480
Increase (decrease) in allowance for doubtful accounts	(189,411)	(203,391)
Interest and dividend income	(28)	(1,303)
Interest expenses	27,384	20,214
Loss on retirement of non-current assets	1,260	748
Loss (gain) on sale of non-current assets	(337)	-
Decrease (increase) in trade receivables	(211,919)	(241,476)
Loss on valuation of investment securities	-	7,015
Increase (decrease) in advances paid of subrogation	185,584	(453,240)
Increase (decrease) in advances paid of collection	(319,171)	421,398
Decrease (increase) in inventories	(3,528)	360
Increase (decrease) in advances received	268,310	160,130
Increase (decrease) in provision for bonuses	11,695	58,672
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(418)	(525)
Increase (decrease) in accounts payable of collect	27,802	45,944
Share issuance costs	1,755	1,620
Other, net	41,834	(191,832)
Subtotal	1,961,188	2,270,179
Interest and dividends received	28	1,303
Interest paid	(27,105)	(19,828)
Income taxes paid	(594,379)	(687,728)
Net cash provided by (used in) operating activities	1,339,732	1,563,925
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(206,992)	(59,811)
Proceeds from sale of property, plant and equipment	4,224	-
Purchase of investment securities	(79,600)	-
Purchase of intangible assets	(40,332)	(78,406)
Other, net	33,913	(15,761)
Net cash provided by (used in) investing activities	(288,786)	(153,980)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(950,000)	(540,000)
Proceeds from long-term borrowings	100,000	-
Repayments of long-term borrowings	(65,052)	(66,480)
Proceeds from issuance of shares	3,334	-
Payments for issuance of shares	-	(712)
Purchase of treasury shares	(129)	(134,830)
Dividends paid	(177,646)	(446,292)
Repayments of finance lease liabilities	(42,462)	(42,876)
Net cash provided by (used in) financing activities	(1,131,954)	(1,231,192)
Net increase (decrease) in cash and cash equivalents	(81,009)	178,753
Cash and cash equivalents at beginning of period	1,103,317	1,022,308
Cash and cash equivalents at end of period	1,022,308	1,201,061