

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 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: May 11, 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 March 31, 2023 (from July 1, 2022 to March 31, 2023)

(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 | % |
| Nine months ended March 31, 2023 | 2,723 | 12.5 | 533 | (6.5) | 707 | 7.1 | 485 | 7.3 |
| Nine months ended March 31, 2022 | 2,420 | 26.4 | 570 | 75.5 | 661 | 56.1 | 452 | 60.2 |

| | Earnings per share | | Diluted earnings per share | |
|----------------------------------|--------------------|--|----------------------------|--|
| | Yen | | Yen | |
| Nine months ended March 31, 2023 | 96.84 | | 96.83 | |
| Nine months ended March 31, 2022 | 90.57 | | 89.49 | |

(2) Consolidated financial position

| | Total assets | Net assets | Equity ratio |
|----------------------|-----------------|-----------------|--------------|
| | Millions of yen | Millions of yen | % |
| As of March 31, 2023 | 18,911 | 1,633 | 8.6 |
| 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 nine months ended March 31, 2023
 (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 March 31, 2023 | 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 March 31, 2023 | 101,844 shares | As of June 30, 2022 | 100,662 shares |
|----------------------|----------------|---------------------|----------------|

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

| | | | |
|----------------------------------|------------------|----------------------------------|------------------|
| Nine months ended March 31, 2023 | 5,016,984 shares | Nine months ended March 31, 2022 | 5,000,761 shares |
|----------------------------------|------------------|----------------------------------|------------------|

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

| | As of June 30, 2022 | As of March 31, 2023 |
|------------------------------------|---------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 3,399,821 | 3,683,785 |
| Accounts receivable - trade | 71,334 | 86,605 |
| Securities | 158,521 | 57,842 |
| Money held in trust | 199,902 | 99,902 |
| Prepaid expenses | 460,317 | 525,474 |
| Advances paid | 1,694,100 | 1,932,179 |
| Other | 247,776 | 440,853 |
| Total current assets | 6,231,774 | 6,826,643 |
| Non-current assets | | |
| Property, plant and equipment | 978,661 | 801,660 |
| Intangible assets | 214,710 | 300,557 |
| Investments and other assets | | |
| Investment securities | 1,097,431 | 1,386,247 |
| Investments in capital | 100,000 | 60,000 |
| Guarantee deposits | 914,461 | 1,051,461 |
| Long-term prepaid expenses | 2,337,347 | 2,850,597 |
| Investment property, net | 3,956,700 | 5,147,853 |
| Other | 388,182 | 486,083 |
| Total investments and other assets | 8,794,123 | 10,982,243 |
| Total non-current assets | 9,987,494 | 12,084,461 |
| Deferred assets | 517 | 517 |
| Total assets | 16,219,786 | 18,911,623 |

(Thousands of yen)

| | As of June 30, 2022 | As of March 31, 2023 |
|---|---------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Accounts payable - trade | 65,205 | 82,808 |
| Current portion of long-term borrowings | 69,892 | 105,836 |
| Lease liabilities | – | 4,238 |
| Income taxes payable | 60,197 | 150,137 |
| Unearned revenue | 1,496,729 | 1,725,369 |
| Deposits received | 498,936 | 623,731 |
| Provision for bonuses | 84,634 | 2,070 |
| Other | 399,819 | 230,127 |
| Total current liabilities | 2,675,414 | 2,924,319 |
| Non-current liabilities | | |
| Long-term borrowings | 1,369,809 | 2,196,834 |
| Lease liabilities | – | 15,188 |
| Long-term unearned revenue | 7,071,730 | 8,060,924 |
| Long-term deposits received | 3,798,093 | 4,036,172 |
| Provision for point card certificates | 5,812 | 5,689 |
| Other | 55,040 | 39,070 |
| Total non-current liabilities | 12,300,485 | 14,353,878 |
| Total liabilities | 14,975,900 | 17,278,198 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 212,336 | 212,336 |
| Capital surplus | 191,297 | 191,297 |
| Retained earnings | 970,294 | 1,405,962 |
| Treasury shares | (201,042) | (203,208) |
| Total shareholders' equity | 1,172,885 | 1,606,388 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 70,999 | 27,036 |
| Total accumulated other comprehensive income | 70,999 | 27,036 |
| Total net assets | 1,243,885 | 1,633,425 |
| Total liabilities and net assets | 16,219,786 | 18,911,623 |

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

Consolidated statements of income (cumulative)

(Thousands of yen)

| | Nine months ended March 31, 2022 | Nine months ended March 31, 2023 |
|--|-------------------------------------|-------------------------------------|
| Net sales | 2,420,219 | 2,723,239 |
| Cost of sales | 806,906 | 822,230 |
| Gross profit | 1,613,312 | 1,901,009 |
| Selling, general and administrative expenses | 1,042,581 | 1,367,565 |
| Operating profit | 570,731 | 533,444 |
| Non-operating income | | |
| Interest income | 9,255 | 8,389 |
| Gain on sale of securities | – | 48,794 |
| Rental income from investment property | 117,582 | 195,075 |
| Other | 34,525 | 32,602 |
| Total non-operating income | 161,362 | 284,861 |
| Non-operating expenses | | |
| Interest expenses | 5,375 | 11,230 |
| Rent expenses of real estate for investment | 54,375 | 94,464 |
| Other | 11,238 | 4,614 |
| Total non-operating expenses | 70,989 | 110,309 |
| Ordinary profit | 661,105 | 707,996 |
| Profit before income taxes | 661,105 | 707,996 |
| Income taxes | 208,182 | 222,151 |
| Profit | 452,922 | 485,844 |
| Profit attributable to owners of parent | 452,922 | 485,844 |

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

| | Nine months ended March 31, 2022 | Nine months ended March 31, 2023 |
|---|-------------------------------------|-------------------------------------|
| Profit | 452,922 | 485,844 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | 18,988 | (43,963) |
| Total other comprehensive income | 18,988 | (43,963) |
| Comprehensive income | 471,911 | 441,881 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 471,911 | 441,881 |