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Consolidated Financial Results for the Six Months Ended September 30, 2023 [Japanese GAAP]

October 30, 2023

Company name: eGuarantee, Inc.

Stock exchange listing: Tokyo

Code number: 8771

URL: <https://www.eguarantee.co.jp/>

Representative: Masanori Eto

President and Chief Executive Officer

Contact: Nozomu Murai

Director, General Manager of Corporate Administration Dept.

Phone: +81-3-6327-3609

Scheduled date of filing quarterly securities report: November 13, 2023

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: Yes

Schedule of quarterly financial results briefing session: Yes

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 to September 30, 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	%
Six months ended September 30, 2023	4,501	8.4	2,348	16.4	2,360	14.9	1,555	10.9
September 30, 2022	4,150	7.9	2,017	11.8	2,054	13.6	1,402	18.9

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 1,656 million [12.3%]
Six months ended September 30, 2022: ¥ 1,475 million [15.7%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	32.72	32.08
September 30, 2022	29.77	28.93

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2023	27,927	22,410	73.0	428.72
March 31, 2023	27,997	21,998	72.7	428.68

(Reference) Equity: As of September 30, 2023: ¥ 20,393 million
As of March 31, 2023: ¥ 20,347 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	-	0.00	-	34.00	34.00
Fiscal year ending March 31, 2024	-	0.00			
Fiscal year ending March 31, 2024 (Forecast)			-	35.00	35.00

(Note) Revision to the forecast for dividends announced most recently: No

(Note) Breakdown of the 2nd quarter dividend for the fiscal year ending March 31, 2024 :

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
Full year	9,500	11.8	4,800	15.6	4,900	15.8	3,200	11.7	67.41

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the six months ended September 30, 2023

(changes in specified subsidiaries resulting in changes in scope of consolidation): Yes

New 1 (Company name: Credit Guarantee V II)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) 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

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

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

September 30, 2023: 47,570,100 shares

March 31, 2023: 47,467,700 shares

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

September 30, 2023: 1,570 shares

March 31, 2023: 1,570 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 47,528,516 shares

Six months ended September 30, 2022: 47,113,784 shares

(5) Guarantee liabilities for guarantee services against sales credit

Guarantee liabilities for guarantee services against sales credit 731.8billion yen

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	17,527,388	16,503,171
Accounts receivable - trade	81,606	75,452
Securities	-	800,000
Prepaid expenses	1,189,873	2,029,728
Accounts receivable - other	61,592	126,760
Other	176,860	198,229
Total current assets	19,037,321	19,733,341
Non-current assets		
Property, plant and equipment	1,777,488	1,801,828
Intangible assets	134,574	144,898
Investments and other assets		
Investment securities	6,412,113	5,611,546
Deferred tax assets	206,318	206,318
Other	430,081	429,588
Total investments and other assets	7,048,512	6,247,453
Total non-current assets	8,960,575	8,194,180
Total assets	27,997,897	27,927,521
Liabilities		
Current liabilities		
Accounts payable - trade	25,104	25,805
Income taxes payable	738,568	728,929
Advances received	4,301,368	3,960,704
Provision for settlement	436,519	364,173
Provision for bonuses	173,000	138,280
Deposits received	35,123	51,392
Other	174,282	132,507
Total current liabilities	5,883,967	5,401,793
Non-current liabilities		
Long-term accounts payable - other	115,282	115,282
Total non-current liabilities	115,282	115,282
Total liabilities	5,999,249	5,517,076
Net assets		
Shareholders' equity		
Share capital	3,781,341	3,833,729
Capital surplus	3,191,341	3,243,729
Retained earnings	13,375,959	13,317,121
Treasury shares	(964)	(964)
Total shareholders' equity	20,347,678	20,393,615
Share acquisition rights	162,771	161,685
Non-controlling interests	1,488,198	1,855,145
Total net assets	21,998,648	22,410,445
Total liabilities and net assets	27,997,897	27,927,521

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Net sales	4,150,574	4,501,052
Cost of sales	826,368	812,430
Gross profit	3,324,206	3,688,622
Selling, general and administrative expenses	1,306,533	1,340,109
Operating profit	2,017,672	2,348,512
Non-operating income		
Interest income	10,324	19,103
Share of profit of entities accounted for using equity method	24,629	-
Other	1,916	1,473
Total non-operating income	36,869	20,576
Non-operating expenses		
Share of loss of entities accounted for using equity method	-	8,903
Miscellaneous losses	241	-
Total non-operating expenses	241	8,903
Ordinary profit	2,054,300	2,360,186
Profit before income taxes	2,054,300	2,360,186
Income taxes	579,197	703,504
Profit	1,475,102	1,656,681
Profit attributable to non-controlling interests	72,395	101,671
Profit attributable to owners of parent	1,402,707	1,555,010

Quarterly Consolidated Statements of Comprehensive Income (For the six months)

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Profit	1,475,102	1,656,681
Comprehensive income	1,475,102	1,656,681
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,402,707	1,555,010
Comprehensive income attributable to non-controlling interests	72,395	101,671