

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 7, 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: Saitou Takashi TEL 03-5448-1311
 Officer
 Scheduled date to file Quarterly Securities Report: November 10, 2023
 Scheduled date to commence dividend payments: November 30, 2023
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

(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	%
Six months ended September 30, 2023	92,208	8.1	18,419	12.4	18,341	11.7	12,310	10.8
Six months ended September 30, 2022	85,297	4.3	16,385	17.6	16,422	17.0	11,108	14.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	354.92	353.58
Six months ended September 30, 2022	320.53	319.20

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	3,793,871	227,317	5.8
As of March 31, 2023	3,575,732	210,605	5.7

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, 2023	–	95.00	–	95.00	190.00
Year ending March 31, 2024	–	100.00	–	–	–
Year ending March 31, 2024 (Forecast)	–	–	–	110.00	210.00

Note: The forecast of cash dividends for the year ending March 31, 2024 has been revised from the forecast announced on May 12, 2023, in light of recent trends in operating results. For details, please refer to “Notice Concerning Revision to Forecasts of Financial Results and Revision to Forecast of Dividends (Dividend Increase),” announced today (November 7, 2023).

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	183,000	5.5	32,500	2.6	32,500	2.3	23,000	6.2	663.11

Note: The forecast of consolidated financial results for the year ending March 31, 2024 has been revised from the forecast announced on May 12, 2023, in light of recent trends in operating results. For details, please refer to “Notice Concerning Revision to Forecasts of Financial Results and Revision to Forecast of Dividends (Dividend Increase),” announced today (November 7, 2023).

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 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: 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: 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 September 30, 2023	35,079,161 shares	As of March 31, 2023	35,079,161 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	381,660 shares	As of March 31, 2023	399,554 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	34,685,304 shares	Six months ended September 30, 2022	34,655,236 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	162,351	195,382
Accounts receivable - installment	3,138,458	3,305,033
Investments in leases	132,915	127,610
Prepaid expenses	4,457	5,584
Advances paid	29,207	30,449
Accounts receivable - other	13,982	31,644
Other	32,345	36,040
Allowance for doubtful accounts	(28,410)	(30,135)
Total current assets	3,485,306	3,701,611
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,497	9,678
Accumulated depreciation	(6,335)	(6,535)
Buildings and structures, net	3,161	3,142
Land	14,828	14,828
Other	11,786	12,382
Accumulated depreciation	(6,955)	(7,394)
Other, net	4,830	4,988
Total property, plant and equipment	22,821	22,959
Intangible assets		
Goodwill	340	229
Software	26,619	25,770
Other	14	14
Total intangible assets	26,974	26,013
Investments and other assets		
Investment securities	20,617	25,163
Bad debts	877	471
Long-term prepaid expenses	4,241	4,277
Deferred tax assets	2,398	1,763
Guarantee deposits	1,420	1,508
Retirement benefit asset	7,125	7,205
Other	4,596	3,228
Allowance for doubtful accounts	(647)	(332)
Total investments and other assets	40,629	43,285
Total non-current assets	90,425	92,259
Total assets	3,575,732	3,793,871

(Millions of yen)

As of March 31, 2023

As of September 30, 2023

Liabilities	As of March 31, 2023	As of September 30, 2023
Current liabilities		
Notes and accounts payable - trade	254,341	270,578
Short-term borrowings	322,984	340,461
Current portion of bonds payable	61,071	66,241
Current portion of long-term borrowings	169,274	216,007
Current portion of long-term loans payable for receivable securitization	238,106	252,512
Commercial papers	450,300	460,500
Accounts payable - other	6,971	5,426
Accrued expenses	2,608	3,218
Income taxes payable	5,681	6,358
Deposits received	73,883	79,083
Unearned revenue	1,303	1,346
Provision for bonuses	2,817	2,838
Provision for point card certificates	2,764	2,865
Provision for loss on guarantees	1,091	1,126
Deferred installment income	229,876	238,250
Other	29,058	29,042
Total current liabilities	1,852,135	1,975,857
Non-current liabilities		
Bonds payable	226,885	236,787
Long-term borrowings	766,936	778,105
Long-term loans payable for receivable securitization	515,679	570,399
Deferred tax liabilities	1	790
Provision for loss on interest repayment	695	689
Retirement benefit liability	19	26
Long-term guarantee deposits	1,659	1,255
Other	1,113	2,641
Total non-current liabilities	1,512,990	1,590,696
Total liabilities	3,365,126	3,566,554
Net assets		
Shareholders' equity		
Share capital	16,138	16,138
Capital surplus	30,534	30,661
Retained earnings	147,062	156,078
Treasury shares	(911)	(871)
Total shareholders' equity	192,823	202,006
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,982	13,579
Deferred gains or losses on hedges	(188)	(178)
Foreign currency translation adjustment	1,147	3,428
Remeasurements of defined benefit plans	275	226
Total accumulated other comprehensive income	11,217	17,055
Share acquisition rights	211	208
Non-controlling interests	6,353	8,047
Total net assets	210,605	227,317
Total liabilities and net assets	3,575,732	3,793,871

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Operating revenue		
Operating revenues	84,676	89,785
Financial revenue		
Interest income	10	40
Dividend income	383	338
Other financial revenue	226	2,043
Total financial revenue	620	2,422
Total operating revenue	85,297	92,208
Operating expenses		
Selling, general and administrative expenses	61,666	63,908
Financial expenses		
Interest on borrowings	5,873	8,219
Interest on commercial papers	129	168
Other financial expenses	1,242	1,492
Total financial expenses	7,245	9,880
Total operating expenses	68,911	73,788
Operating profit	16,385	18,419
Non-operating income		
Miscellaneous income	46	62
Total non-operating income	46	62
Non-operating expenses		
Miscellaneous losses	8	139
Total non-operating expenses	8	139
Ordinary profit	16,422	18,341
Extraordinary income		
Gain on sale of investment securities	–	199
Total extraordinary income	–	199
Extraordinary losses		
Loss on retirement of non-current assets	9	9
Loss on sale of investment securities	4	0
Total extraordinary losses	14	9
Profit before income taxes	16,408	18,531
Income taxes - current	4,558	5,992
Income taxes - deferred	404	(12)
Total income taxes	4,963	5,980
Profit	11,445	12,551
Profit attributable to non-controlling interests	337	240
Profit attributable to owners of parent	11,108	12,310

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	11,445	12,551
Other comprehensive income		
Valuation difference on available-for-sale securities	(551)	3,596
Deferred gains or losses on hedges	258	(18)
Foreign currency translation adjustment	3,320	3,116
Remeasurements of defined benefit plans, net of tax	(117)	(48)
Total other comprehensive income	2,909	6,646
Comprehensive income	14,355	19,197
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	13,098	18,148
Comprehensive income attributable to non-controlling interests	1,256	1,048

Quarterly Non-consolidated financial statements
Non-consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	143,097	172,647
Accounts receivable - installment	3,006,787	3,154,510
Prepaid expenses	1,198	1,170
Short-term loans receivable from subsidiaries and associates	46,887	34,299
Advances paid	29,141	30,354
Accounts receivable - other	12,807	31,182
Other	22,415	22,469
Allowance for doubtful accounts	(19,903)	(20,262)
Total current assets	3,242,433	3,426,372
Non-current assets		
Property, plant and equipment		
Buildings and structures	8,922	9,008
Accumulated depreciation	(5,911)	(6,042)
Buildings and structures, net	3,011	2,965
Tools, furniture and fixtures	2,566	2,594
Accumulated depreciation	(2,174)	(2,288)
Tools, furniture and fixtures, net	392	305
Land	14,828	14,828
Other	511	528
Accumulated depreciation	(364)	(357)
Other, net	146	171
Total property, plant and equipment	18,379	18,271
Intangible assets		
Goodwill	300	200
Software	25,116	23,976
Other	12	12
Total intangible assets	25,429	24,189
Investments and other assets		
Investment securities	20,617	25,163
Shares of subsidiaries and associates	16,071	16,071
Investments in capital of subsidiaries and associates	4,289	4,289
Long-term loans receivable from employees	38	41
Long-term loans receivable from subsidiaries and associates	113,478	128,752
Bad debts	877	471
Long-term prepaid expenses	174	164
Deferred tax assets	911	–
Guarantee deposits	1,243	1,220
Prepaid pension costs	6,641	6,910
Other	2,097	2,080
Allowance for doubtful accounts	(647)	(332)
Total investments and other assets	165,793	184,834
Total non-current assets	209,602	227,294
Total assets	3,452,035	3,653,666

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Notes payable - trade	176,805	198,512
Accounts payable - trade	70,005	68,800
Short-term borrowings	291,289	306,475
Current portion of bonds payable	59,976	65,000
Current portion of long-term borrowings	148,207	194,343
Current portion of long-term loans payable for receivable securitization	238,106	252,512
Commercial papers	450,300	460,500
Accounts payable - other	5,220	4,684
Accrued expenses	1,517	1,637
Income taxes payable	4,760	5,719
Deposits received	72,385	78,182
Unearned revenue	904	838
Provision for bonuses	2,626	2,658
Provision for point card certificates	2,764	2,865
Provision for loss on guarantees	1,088	1,088
Deferred installment income	220,087	224,900
Other	27,690	27,292
Total current liabilities	1,773,737	1,896,013
Non-current liabilities		
Bonds payable	220,000	229,000
Long-term borrowings	743,118	745,120
Long-term loans payable for receivable securitization	515,679	570,399
Deferred tax liabilities	—	695
Provision for loss on interest repayment	695	689
Long-term guarantee deposits	1,659	1,255
Other	368	407
Total non-current liabilities	1,481,521	1,547,568
Total liabilities	3,255,259	3,443,581
Net assets		
Shareholders' equity		
Share capital	16,138	16,138
Capital surplus		
Legal capital surplus	30,468	30,468
Other capital surplus	50	89
Total capital surplus	30,518	30,558
Retained earnings		
Legal retained earnings	2,572	2,572
Other retained earnings		
General reserve	43,229	43,229
Retained earnings brought forward	95,075	104,660
Total retained earnings	140,876	150,462
Treasury shares	(911)	(871)
Total shareholders' equity	186,622	196,286
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	9,982	13,579
Deferred gains or losses on hedges	(40)	11
Total valuation and translation adjustments	9,942	13,590
Share acquisition rights	211	208
Total net assets	196,776	210,085
Total liabilities and net assets	3,452,035	3,653,666

Non-consolidated statements of income

(Millions of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Operating revenue		
Operating revenues	69,590	74,279
Financial revenue		
Interest income	485	619
Dividend income	884	1,114
Other financial revenue	62	2,054
Total financial revenue	1,432	3,788
Total operating revenue	71,023	78,067
Operating expenses		
Selling, general and administrative expenses	52,098	53,861
Financial expenses		
Interest on borrowings	3,866	4,871
Interest on commercial papers	129	168
Other financial expenses	1,117	1,042
Total financial expenses	5,113	6,082
Total operating expenses	57,212	59,944
Operating profit	13,811	18,122
Non-operating income		
Miscellaneous income	18	38
Total non-operating income	18	38
Non-operating expenses		
Miscellaneous losses	8	5
Total non-operating expenses	8	5
Ordinary profit	13,821	18,156
Extraordinary income		
Gain on sale of investment securities	–	199
Total extraordinary income	–	199
Extraordinary losses		
Loss on retirement of non-current assets	9	1
Loss on sale of investment securities	4	0
Total extraordinary losses	14	1
Profit before income taxes	13,807	18,353
Income taxes - current	3,877	5,459
Income taxes - deferred	342	14
Total income taxes	4,219	5,473
Profit	9,587	12,880