

Translation

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

November 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: November 10, 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 three months ended September 30, 2023 (from July 1, 2023 to September 30, 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	%
Three months ended September 30, 2023	1,108	32.7	261	96.6	321	87.8	219	83.0
Three months ended September 30, 2022	835	(6.8)	133	(59.6)	171	(51.1)	119	(49.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended September 30, 2023	43.73		43.72	
Three months ended September 30, 2022	23.89		23.89	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	20,679	2,122	10.3
As of June 30, 2023	20,103	1,946	9.7

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, 2023	–	0.00	–	10.00	10.00
Year ending June 30, 2024	–				
Year ending June 30, 2024 (Forecast)		0.00	–	10.00	10.00

3. Forecast of consolidated financial results for the year ending June 30, 2024 (from July 1, 2023 to June 30, 2024)

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
Six months ending December 31, 2023	2,190	25.5	390	18.2	490	21.6	314	13.5	62.58
Full year	4,820	23.0	840	13.3	1,060	3.8	779	3.7	155.27

4. Notes

- (1) Changes in significant subsidiaries during the three 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: 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 September 30, 2023	5,118,300 shares	As of June 30, 2023	5,118,300 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	101,944 shares	As of June 30, 2023	101,944 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2023	5,016,356 shares	Three months ended September 30, 2022	5,017,622 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	4,175,248	3,591,448
Accounts receivable - trade	266,756	286,379
Securities	124,061	114,561
Money held in trust	99,902	99,902
Prepaid expenses	550,493	620,493
Advances paid	1,929,584	2,601,649
Other	347,260	348,754
Total current assets	7,493,309	7,663,190
Non-current assets		
Property, plant and equipment	808,866	600,219
Intangible assets	318,120	347,782
Investments and other assets		
Investment securities	1,585,425	1,818,706
Investments in capital	60,000	60,000
Guarantee deposits	1,172,461	1,172,461
Long-term prepaid expenses	3,049,031	3,020,116
Investment property, net	5,130,753	5,475,681
Other	485,221	520,859
Total investments and other assets	11,482,892	12,067,825
Total non-current assets	12,609,880	13,015,828
Deferred assets	517	517
Total assets	20,103,706	20,679,535

(Thousands of yen)

	As of June 30, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	82,111	72,642
Current portion of long-term borrowings	105,836	112,472
Lease liabilities	4,238	4,238
Income taxes payable	188,987	109,835
Unearned revenue	1,830,992	1,906,176
Deposits received	631,257	563,801
Provision for bonuses	108,770	2,030
Provision for bonuses for directors (and other officers)	28,000	–
Other	286,005	339,214
Total current liabilities	3,266,198	3,110,409
Non-current liabilities		
Long-term borrowings	2,170,375	2,334,621
Lease liabilities	14,128	13,068
Long-term unearned revenue	8,518,521	8,860,676
Long-term deposits received	4,127,135	4,176,367
Provision for point card certificates	5,580	5,815
Other	55,637	56,224
Total non-current liabilities	14,891,378	15,446,774
Total liabilities	18,157,577	18,557,183
Net assets		
Shareholders' equity		
Share capital	212,336	212,336
Capital surplus	191,297	191,297
Retained earnings	1,671,402	1,840,604
Treasury shares	(203,336)	(203,336)
Total shareholders' equity	1,871,700	2,040,902
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	74,429	81,449
Total accumulated other comprehensive income	74,429	81,449
Total net assets	1,946,129	2,122,352
Total liabilities and net assets	20,103,706	20,679,535

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023
Net sales	835,077	1,108,391
Cost of sales	249,595	279,736
Gross profit	585,481	828,654
Selling, general and administrative expenses	452,382	566,918
Operating profit	133,099	261,736
Non-operating income		
Interest income	2,179	9,567
Dividend income	–	986
Gain on sale of securities	–	16,590
Rental income from investment property	57,403	69,861
Foreign exchange gains	9,364	–
Other	14,645	7,616
Total non-operating income	83,591	104,622
Non-operating expenses		
Interest expenses	3,143	4,283
Loss on transactions of futures markets	7,116	–
Rent expenses of real estate for investment	35,104	40,371
Total non-operating expenses	45,365	44,655
Ordinary profit	171,325	321,703
Profit before income taxes	171,325	321,703
Income taxes	51,433	102,337
Profit	119,892	219,365
Profit attributable to owners of parent	119,892	219,365

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2022	Three months ended September 30, 2023
Profit	119,892	219,365
Other comprehensive income		
Valuation difference on available-for-sale securities	6,223	7,020
Total other comprehensive income	6,223	7,020
Comprehensive income	126,116	226,386
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	126,116	226,386