

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 4, 2022

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 Saitou Takashi
 Inquiries: Officer TEL 03-5448-1311
 Scheduled date to file Quarterly Securities Report: August 9, 2022
 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 June 30, 2022 (from April 1, 2022 to June 30, 2022)

(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	%
Three months ended June 30, 2022	42,355	3.6	8,942	21.8	8,953	21.2	6,055	19.3
Three months ended June 30, 2021	40,867	2.0	7,343	88.4	7,388	87.0	5,074	71.1

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2022	174.78	174.06
Three months ended June 30, 2021	146.68	146.03

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2022	3,236,924	196,730	5.9
As of March 31, 2022	3,215,006	192,217	5.8

Note: Previously, the Company presented guarantee obligations on loans and other debt held by financial institutions as well as the balance of guarantees related to receivable collection services as accounts receivable - installment sales - credit guarantee and accounts payable - credit guarantee on the consolidated balance sheets. However, the Company made a change in accounting treatment from the first quarter of the fiscal year ending March 31, 2023 and these figures are no longer presented on the consolidated balance sheets. The aforementioned change in accounting policy has been applied retroactively, and the figures for total assets and equity ratio presented for the fiscal year ended March 31, 2022 are those after retroactive application of this change.

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, 2022	–	75.00	–	85.00	160.00
Year ending March 31, 2023	–				
Year ending March 31, 2023 (Forecast)		85.00	–	85.00	170.00

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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
Six months ending September 30, 2022	82,000	0.3	14,300	2.6	14,300	1.9	9,800	0.9	283.02
Full year	167,000	1.8	29,000	8.4	29,000	8.3	19,500	6.5	563.15

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2022
(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: Yes
- 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 June 30, 2022	35,079,161 shares	As of March 31, 2022	35,079,161 shares
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Number of treasury shares at the end of the period

As of June 30, 2022	431,375 shares	As of March 31, 2022	431,193 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	34,647,923 shares	Three months ended June 30, 2021	34,598,630 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	138,790	91,585
Accounts receivable - installment	2,776,898	2,864,515
Investments in leases	144,332	143,762
Prepaid expenses	3,670	4,278
Advances paid	49,868	29,805
Accounts receivable - other	13,294	13,683
Other	28,212	29,153
Allowance for doubtful accounts	(28,575)	(28,378)
Total current assets	3,126,491	3,148,406
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,162	9,213
Accumulated depreciation	(6,004)	(6,091)
Buildings and structures, net	3,158	3,121
Land	14,986	14,986
Other	11,389	11,674
Accumulated depreciation	(6,283)	(6,500)
Other, net	5,106	5,173
Total property, plant and equipment	23,250	23,281
Intangible assets		
Goodwill	563	509
Software	25,872	26,281
Other	14	14
Total intangible assets	26,450	26,805
Investments and other assets		
Investment securities	19,771	19,879
Bad debts	833	979
Long-term prepaid expenses	4,013	4,259
Deferred tax assets	3,189	2,235
Guarantee deposits	1,475	1,455
Retirement benefit asset	7,507	7,573
Other	2,690	2,767
Allowance for doubtful accounts	(668)	(718)
Total investments and other assets	38,813	38,430
Total non-current assets	88,514	88,517
Total assets	3,215,006	3,236,924

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	200,092	214,644
Short-term borrowings	312,515	316,834
Current portion of bonds payable	47,370	52,791
Current portion of long-term borrowings	177,952	193,395
Current portion of long-term loans payable for receivable securitization	183,078	180,597
Commercial papers	423,500	436,500
Accounts payable - other	3,797	3,801
Accrued expenses	2,167	2,027
Income taxes payable	4,512	1,824
Deposits received	73,880	72,759
Unearned revenue	1,280	1,243
Provision for bonuses	2,818	1,385
Provision for point card certificates	2,655	2,719
Provision for loss on guarantees	1,243	1,265
Deferred installment income	204,448	210,262
Other	29,378	29,192
Total current liabilities	1,670,693	1,721,247
Non-current liabilities		
Bonds payable	230,314	215,347
Long-term borrowings	708,064	694,336
Long-term loans payable for receivable securitization	409,036	404,659
Provision for retirement benefits for directors (and other officers)	4	-
Provision for loss on interest repayment	642	655
Retirement benefit liability	21	22
Long-term guarantee deposits	1,961	1,973
Other	2,049	1,949
Total non-current liabilities	1,352,095	1,318,945
Total liabilities	3,022,789	3,040,193
Net assets		
Shareholders' equity		
Share capital	16,138	16,138
Capital surplus	30,513	30,513
Retained earnings	131,649	134,760
Treasury shares	(982)	(982)
Total shareholders' equity	177,319	180,429
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,880	8,957
Deferred gains or losses on hedges	(420)	(339)
Foreign currency translation adjustment	(238)	481
Remeasurements of defined benefit plans	1,074	1,008
Total accumulated other comprehensive income	9,296	10,107
Share acquisition rights	226	226
Non-controlling interests	5,375	5,967
Total net assets	192,217	196,730
Total liabilities and net assets	3,215,006	3,236,924

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Operating revenue		
Operating revenues	40,533	41,864
Financial revenue		
Interest income	40	4
Dividend income	293	358
Other financial revenue	–	126
Total financial revenue	333	490
Total operating revenue	40,867	42,355
Operating expenses		
Selling, general and administrative expenses	29,593	30,139
Financial expenses		
Interest on borrowings	2,806	2,857
Interest on commercial papers	71	63
Other financial expenses	1,052	351
Total financial expenses	3,930	3,273
Total operating expenses	33,523	33,413
Operating profit	7,343	8,942
Non-operating income		
Miscellaneous income	50	18
Total non-operating income	50	18
Non-operating expenses		
Miscellaneous losses	5	7
Total non-operating expenses	5	7
Ordinary profit	7,388	8,953
Extraordinary income		
Gain on sale of investment securities	110	–
Total extraordinary income	110	–
Extraordinary losses		
Loss on retirement of non-current assets	5	0
Total extraordinary losses	5	0
Profit before income taxes	7,492	8,953
Income taxes - current	1,728	1,726
Income taxes - deferred	637	965
Total income taxes	2,366	2,691
Profit	5,126	6,262
Profit attributable to non-controlling interests	52	206
Profit attributable to owners of parent	5,074	6,055

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	5,126	6,262
Other comprehensive income		
Valuation difference on available-for-sale securities	(197)	76
Deferred gains or losses on hedges	516	134
Foreign currency translation adjustment	1,036	1,049
Remeasurements of defined benefit plans, net of tax	(45)	(63)
Total other comprehensive income	1,310	1,196
Comprehensive income	6,437	7,459
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	5,962	6,867
Comprehensive income attributable to non-controlling interests	474	592