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

November 7, 2023

Company name: J-LEASE CO.,LTD.

Stock exchange listing: Tokyo

Code number: 7187

URL: <https://www.j-lease.jp>

Representative: Tsuchi Nakashima

Representative Director President & COO

Contact: Shigeharu Nakashima

Senior Managing Director

Phone: +81-3-5909-1245

Scheduled date of filing quarterly securities report: November 7, 2023

Scheduled date of commencing dividend payments: December 1, 2023

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	6,087	16.1	1,104	(9.3)	1,105	(8.5)	760	(9.4)
September 30, 2022	5,244	20.0	1,217	37.8	1,207	39.1	839	44.2

(Note) Comprehensive income: Six months ended September 30, 2023: ¥ 760 million [(9.4) %]
Six months ended September 30, 2022: ¥ 839 million [44.1 %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	85.60	84.83
September 30, 2022	94.28	93.30

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	10,235	3,910	38.2
March 31, 2023	9,755	3,460	35.5

(Reference) Equity: As of September 30, 2023: ¥ 3,910 million
As of March 31, 2023: ¥ 3,460 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	-	25.00	-	35.00	60.00
Fiscal year ending March 31, 2024	-	35.00			
Fiscal year ending March 31, 2024 (Forecast)			-	35.00	70.00

(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	12,460	13.7	2,600	5.5	2,570	4.2	1,730	3.8	194.67

(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): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(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: 8,938,400 shares

March 31, 2023: 8,934,400 shares

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

September 30, 2023: 50,096 shares

March 31, 2023: 51,096 shares

3) Average number of shares outstanding during the period:

Six months ended September 30, 2023: 8,885,804 shares

Six months ended September 30, 2022: 8,907,278 shares

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	1,201,061	1,519,382
Accrued guarantee	1,356,312	974,317
Accounts receivable commission	65,851	70,313
Accounts receivable - other	578,971	218,983
Advances paid of subrogation	5,113,651	5,664,652
Advances paid of collection	967,667	1,181,227
Supplies	15,167	13,869
Real estate for sale	27,247	65,286
Other	169,305	267,977
Allowance for doubtful accounts	(1,810,300)	(1,865,700)
Total current assets	7,684,935	8,110,309
Non-current assets		
Property, plant and equipment	347,171	372,858
Intangible assets	223,931	239,510
Investments and other assets		
Deferred tax assets	1,229,139	1,208,909
Other	632,845	675,926
Allowance for doubtful accounts	(362,111)	(371,680)
Total investments and other assets	1,499,873	1,513,155
Total non-current assets	2,070,976	2,125,524
Total assets	9,755,912	10,235,833

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities		
Short-term borrowings	1,260,000	1,297,000
Current portion of long-term borrowings	6,672	6,672
Lease liabilities	42,876	38,762
Accounts payable of collection	874,390	878,100
Accounts payable - other	627,504	696,369
Income taxes payable	496,465	353,941
Advances received	2,354,385	2,480,581
Provision for bonuses	169,767	145,062
Other	294,996	236,729
Total current liabilities	6,127,058	6,133,218
Non-current liabilities		
Long-term borrowings	81,652	78,316
Lease liabilities	20,830	3,080
Provision for retirement benefits for directors (and other officers)	4,072	5,297
Provision for share awards for directors (and other officers)	-	32,946
Asset retirement obligations	61,566	71,180
Other	701	931
Total non-current liabilities	168,823	191,751
Total liabilities	6,295,881	6,324,969
Net assets		
Shareholders' equity		
Share capital	717,557	717,683
Capital surplus	292,557	292,683
Retained earnings	2,585,042	3,033,005
Treasury shares	(135,009)	(132,362)
Total shareholders' equity	3,460,147	3,911,008
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(117)	(145)
Total accumulated other comprehensive income	(117)	(145)
Total net assets	3,460,030	3,910,863
Total liabilities and net assets	9,755,912	10,235,833

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	5,244,726	6,087,224
Cost of sales	1,229,381	1,487,775
Gross profit	4,015,345	4,599,449
Selling, general and administrative expenses	2,797,699	3,494,894
Operating profit	1,217,645	1,104,554
Non-operating income		
Interest income	9	12
Dividend income	10	10
Insurance claim income	-	4,860
Subsidy income	1,830	510
Recoveries of written off receivables	65	1,199
Other	492	4,374
Total non-operating income	2,408	10,967
Non-operating expenses		
Interest expenses	10,973	7,957
Other	1,532	2,235
Total non-operating expenses	12,505	10,192
Ordinary profit	1,207,548	1,105,329
Extraordinary losses		
Loss on retirement of non-current assets	0	-
Total extraordinary losses	0	-
Profit before income taxes	1,207,548	1,105,329
Income taxes - current	286,470	324,439
Income taxes - deferred	81,270	20,230
Total income taxes	367,741	344,669
Profit	839,807	760,659
Profit attributable to owners of parent	839,807	760,659

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	839,807	760,659
Other comprehensive income		
Valuation difference on available-for-sale securities	(16)	(28)
Total other comprehensive income	(16)	(28)
Comprehensive income	839,791	760,631
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	839,791	760,631

Quarterly Consolidated Statements of Cash Flows

(Thousands of yen)

	For the six months ended September 30, 2022	For the six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	1,207,548	1,105,329
Depreciation	88,463	91,263
Increase (decrease) in allowance for doubtful accounts	(99,562)	64,968
Interest and dividend income	(19)	(22)
Interest expenses	10,973	7,957
Decrease (increase) in trade receivables	344,360	377,602
Loss on retirement of non-current assets	0	-
Increase (decrease) in advances paid of subrogation	(110,187)	(560,639)
Increase (decrease) in advances paid of collection	(193,795)	(213,559)
Decrease (increase) in inventories	4,250	(36,740)
Increase (decrease) in advances received	(32,018)	126,196
Increase (decrease) in provision for bonuses	45,837	(24,705)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(1,840)	1,225
Increase (decrease) in provision for share awards for directors (and other officers)	-	32,946
Increase (decrease) in accounts payable of collect	41,332	3,709
Share issuance costs	378	633
Other, net	(281,624)	251,102
Subtotal	1,024,094	1,227,267
Interest and dividends received	19	22
Interest paid	(10,909)	(8,006)
Income taxes paid	(378,600)	(454,171)
Net cash provided by (used in) operating activities	634,605	765,111
Cash flows from investing activities		
Purchase of property, plant and equipment	(34,429)	(55,086)
Purchase of intangible assets	(31,540)	(60,817)
Other, net	(5,280)	(33,720)
Net cash provided by (used in) investing activities	(71,250)	(149,624)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(100,000)	37,000
Repayments of long-term borrowings	(33,360)	(3,336)
Proceeds from issuance of shares	377	-
Payments for issuance of shares	-	(381)
Purchase of treasury shares	(134,766)	-
Dividends paid	(222,996)	(312,697)
Repayments of finance lease liabilities	(21,864)	(17,750)
Net cash provided by (used in) financing activities	(512,610)	(297,165)
Net increase (decrease) in cash and cash equivalents	50,744	318,321
Cash and cash equivalents at beginning of period	1,022,308	1,201,061
Cash and cash equivalents at end of period	1,073,052	1,519,382