

Translation

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## Summary of Consolidated Financial Results for the Year Ended June 30, 2024 (Based on Japanese GAAP)

August 9, 2024

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 of ordinary general meeting of shareholders: September 25, 2024  
 Scheduled date to file Securities Report: September 25, 2024  
 Scheduled date to commence dividend payments: September 26, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended June 30, 2024 (from July 1, 2023 to June 30, 2024)

(1) Consolidated operating results

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	%
Year ended June 30, 2024	5,359	36.7	1,240	67.2	1,512	48.1	973	29.6
Year ended June 30, 2023	3,919	18.6	741	14.0	1,021	33.1	751	37.5

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended June 30, 2024	193.87	193.85	39.3	6.8	23.1
Year ended June 30, 2023	149.75	149.73	47.1	5.6	18.9

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2024	24,593	3,005	12.2	598.14
As of June 30, 2023	20,103	1,946	9.7	387.95

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended June 30, 2024	922	(2,086)	167	2,804
Year ended June 30, 2023	1,861	(1,902)	783	3,799

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended June 30, 2023	–	0.00	–	10.00	10.00	50	6.7	3.1
Year ended June 30, 2024	–	0.00	–	15.00	15.00	75	7.7	3.0
Year ending June 30, 2025 (Forecast)	–	0.00	–	–	–	–	–	–

3. Forecast of consolidated financial results for the year ending June 30, 2025 (from July 1, 2024 to June 30, 2025)

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, 2024	3,179	38.5	558	3.9	729	11.9	535	20.4	101.35
Full year	6,900	28.8	1,300	4.8	1,600	5.8	1,176	20.8	212.53

4. Notes

(1) Significant changes in the scope of consolidation during the year ended June 30, 2024: No

(2) 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

(3) Number of issued shares (common shares)

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

As of June 30, 2024	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 June 30, 2024	93,974 shares	As of June 30, 2023	101,944 shares
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Average number of shares during the period

Year ended June 30, 2024	5,020,177 shares	Year ended June 30, 2023	5,016,846 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	4,175,248	2,626,435
Accounts receivable - trade	266,756	1,189,582
Securities	124,061	178,088
Money held in trust	99,902	–
Prepaid expenses	550,493	684,016
Advances paid	1,929,584	3,515,034
Other	347,260	394,795
<b>Total current assets</b>	<b>7,493,309</b>	<b>8,587,952</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings	89,157	89,157
Accumulated depreciation	(18,245)	(26,601)
Buildings, net	70,912	62,556
Land	1,339	1,339
Leased assets	19,266	19,266
Accumulated depreciation	(2,568)	(6,422)
Leased assets, net	16,697	12,844
Construction in progress	705,327	703,101
Other	39,905	54,632
Accumulated depreciation	(25,315)	(30,147)
Other, net	14,590	24,485
<b>Total property, plant and equipment</b>	<b>808,866</b>	<b>804,327</b>
<b>Intangible assets</b>		
Other	318,120	483,167
<b>Total intangible assets</b>	<b>318,120</b>	<b>483,167</b>
<b>Investments and other assets</b>		
Investment securities	1,585,425	3,509,787
Investments in capital	60,000	200,000
Guarantee deposits	1,172,461	514,136
Long-term prepaid expenses	3,049,031	3,821,355
Investment property	5,265,428	6,148,412
Accumulated depreciation	(134,675)	(207,453)
Investment property, net	5,130,753	5,940,958
Other	485,221	731,510
<b>Total investments and other assets</b>	<b>11,482,892</b>	<b>14,717,748</b>
<b>Total non-current assets</b>	<b>12,609,880</b>	<b>16,005,242</b>
<b>Deferred assets</b>		
Business commencement expenses	517	517
<b>Total deferred assets</b>	<b>517</b>	<b>517</b>
<b>Total assets</b>	<b>20,103,706</b>	<b>24,593,712</b>

(Thousands of yen)

	As of June 30, 2023	As of June 30, 2024
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	82,111	80,550
Current portion of long-term borrowings	105,836	119,480
Lease liabilities	4,238	4,238
Income taxes payable	188,987	337,574
Unearned revenue	1,830,992	2,146,246
Deposits received	631,257	638,884
Provision for bonuses	108,770	236,329
Provision for bonuses for directors (and other officers)	28,000	72,812
Other	286,005	376,149
<b>Total current liabilities</b>	<b>3,266,198</b>	<b>4,012,265</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,170,375	2,379,171
Lease liabilities	14,128	9,889
Long-term unearned revenue	8,518,521	10,508,526
Long-term deposits received	4,127,135	4,572,721
Provision for point card certificates	5,580	6,635
Other	55,637	99,237
<b>Total non-current liabilities</b>	<b>14,891,378</b>	<b>17,576,182</b>
<b>Total liabilities</b>	<b>18,157,577</b>	<b>21,588,447</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	212,336	212,336
Capital surplus	191,297	198,689
Retained earnings	1,671,402	2,594,544
Treasury shares	(203,336)	(187,307)
<b>Total shareholders' equity</b>	<b>1,871,700</b>	<b>2,818,263</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	74,429	187,001
<b>Total accumulated other comprehensive income</b>	<b>74,429</b>	<b>187,001</b>
<b>Total net assets</b>	<b>1,946,129</b>	<b>3,005,264</b>
<b>Total liabilities and net assets</b>	<b>20,103,706</b>	<b>24,593,712</b>

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Net sales	3,919,991	5,359,054
Cost of sales	1,131,422	1,356,295
Gross profit	2,788,569	4,002,759
Selling, general and administrative expenses	2,046,963	2,762,444
Operating profit	741,605	1,240,314
Non-operating income		
Interest income	13,226	44,822
Dividend income	131	4,215
Gain on sale of securities	83,663	39,323
Rental income from investment property	264,000	308,268
Other	74,145	69,906
Total non-operating income	435,167	466,535
Non-operating expenses		
Interest expenses	15,340	18,132
Loss on sale of securities	5,072	9,621
Rent expenses of real estate for investment	128,460	164,360
Other	6,599	2,566
Total non-operating expenses	155,473	194,680
Ordinary profit	1,021,299	1,512,170
Extraordinary losses		
Loss on valuation of investment securities	–	206,942
Total extraordinary losses	–	206,942
Profit before income taxes	1,021,299	1,305,227
Income taxes - current	263,926	448,266
Income taxes - deferred	6,088	(116,344)
Total income taxes	270,014	331,922
Profit	751,284	973,305
Profit attributable to owners of parent	751,284	973,305

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Profit	751,284	973,305
Other comprehensive income		
Valuation difference on available-for-sale securities	3,429	112,572
Total other comprehensive income	3,429	112,572
Comprehensive income	754,714	1,085,877
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	754,714	1,085,877

## Consolidated statements of changes in equity

Fiscal year ended June 30, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	212,336	191,297	970,294	(201,042)	1,172,885
Changes during period					
Profit attributable to owners of parent			751,284		751,284
Dividends of surplus			(50,176)		(50,176)
Purchase of treasury shares				(2,294)	(2,294)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	701,108	(2,294)	698,814
Balance at end of period	212,336	191,297	1,671,402	(203,336)	1,871,700

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	70,999	70,999	1,243,885
Changes during period			
Profit attributable to owners of parent			751,284
Dividends of surplus			(50,176)
Purchase of treasury shares			(2,294)
Net changes in items other than shareholders' equity	3,429	3,429	3,429
Total changes during period	3,429	3,429	702,243
Balance at end of period	74,429	74,429	1,946,129

Fiscal year ended June 30, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	212,336	191,297	1,671,402	(203,336)	1,871,700
Changes during period					
Profit attributable to owners of parent			973,305		973,305
Dividends of surplus			(50,163)		(50,163)
Purchase of treasury shares				(720)	(720)
Disposal of treasury shares		7,392		16,749	24,141
Net changes in items other than shareholders' equity					
Total changes during period	–	7,392	923,141	16,029	946,563
Balance at end of period	212,336	198,689	2,594,544	(187,307)	2,818,263

	Accumulated other comprehensive income		Total net assets
	Valuation difference on available-for-sale securities	Total accumulated other comprehensive income	
Balance at beginning of period	74,429	74,429	1,946,129
Changes during period			
Profit attributable to owners of parent			973,305
Dividends of surplus			(50,163)
Purchase of treasury shares			(720)
Disposal of treasury shares			24,141
Net changes in items other than shareholders' equity	112,572	112,572	112,572
Total changes during period	112,572	112,572	1,059,135
Balance at end of period	187,001	187,001	3,005,264



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	1,021,299	1,305,227
Depreciation	144,692	193,488
Increase (decrease) in provision for bonuses	24,136	127,559
Increase (decrease) in provision for bonuses for directors (and other officers)	28,000	44,812
Increase (decrease) in provision for point card certificates	(231)	1,054
Interest and dividend income	(13,358)	(49,037)
Interest expenses	15,340	18,132
Foreign exchange losses (gains)	(3,909)	(15,321)
Loss (gain) on sale of securities	(78,591)	(29,702)
Loss (gain) on valuation of investment securities	–	206,942
Decrease (increase) in trade receivables	(205,923)	(933,358)
Increase (decrease) in trade payables	16,905	(1,560)
Increase (decrease) in unearned revenue	334,262	315,253
Increase (decrease) in long-term unearned revenue	1,446,791	1,990,005
Increase (decrease) in deposits received	132,321	7,626
Increase (decrease) in long-term deposits received	329,042	445,585
Increase (decrease) in accounts payable - other	(15,515)	39,440
Decrease (increase) in prepaid expenses	(89,639)	(133,262)
Decrease (increase) in long-term prepaid expenses	(718,088)	(782,282)
Decrease (increase) in advances paid	(252,246)	(1,594,221)
Other, net	(93,942)	85,903
Subtotal	2,021,345	1,242,287
Interest and dividends received	4,469	26,173
Interest paid	(15,877)	(18,387)
Income taxes paid	(148,370)	(327,657)
Net cash provided by (used in) operating activities	1,861,567	922,416

(Thousands of yen)

	Fiscal year ended June 30, 2023	Fiscal year ended June 30, 2024
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	–	500,000
Purchase of property, plant and equipment	(46,062)	(14,727)
Purchase of intangible assets	(188,655)	(368,038)
Proceeds from cancellation of money held in trust	100,000	99,902
Purchase of investment securities	(1,212,958)	(2,445,391)
Proceeds from sale and redemption of investment securities	809,254	525,541
Purchase of investment property	(1,086,316)	(881,959)
Payments of guarantee deposits	(258,000)	–
Proceeds from refund of guarantee deposits	–	660,000
Purchase of insurance funds	(34,431)	(35,912)
Payments of leasehold deposits	(58,044)	–
Return of lease deposits	–	77
Payments for investments in capital	(60,000)	(140,000)
Proceeds from sale of investments in capital	101,909	–
Other, net	30,440	13,792
Net cash provided by (used in) investing activities	(1,902,865)	(2,086,715)
Cash flows from financing activities		
Proceeds from long-term borrowings	934,000	339,000
Repayments of long-term borrowings	(97,490)	(116,560)
Repayments of lease liabilities	(2,825)	(4,238)
Purchase of treasury shares	(157)	(78)
Dividends paid	(50,177)	(50,124)
Net cash provided by (used in) financing activities	783,349	167,998
Effect of exchange rate change on cash and cash equivalents	(1,084)	1,514
Net increase (decrease) in cash and cash equivalents	740,967	(994,786)
Cash and cash equivalents at beginning of period	3,058,342	3,799,310
Cash and cash equivalents at end of period	3,799,310	2,804,524