

Translation

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Summary of Consolidated Financial Results for the Six Months Ended December 31, 2023 (Based on Japanese GAAP)

February 5, 2024

Company name: CHARM CARE CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6062 URL <https://www.charmcc.jp/>
 Representative: Chairman and President Takahiko Shimomura
 Inquiries: Director Managing Executive Officer Yoshihiko Maeda TEL 06-6445-3389
 Scheduled date to file Quarterly Securities Report: February 5, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2023 (from July 1, 2023 to December 31, 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	%
Six months ended December 31, 2023	18,587	25.2	1,570	67.6	1,755	49.0	1,136	50.0
Six months ended December 31, 2022	14,851	18.7	937	5.4	1,178	33.8	757	36.9

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended December 31, 2023	34.81		34.76	
Six months ended December 31, 2022	23.23		23.18	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	45,792	15,571	33.9
As of June 30, 2023	43,304	15,135	34.8

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	–	22.00	22.00
Year ending June 30, 2024	–	0.00			
Year ending June 30, 2024 (Forecast)			–	26.00	26.00

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
Full year	47,000	24.1	4,800	14.4	5,000	7.9	3,700	15.4	113.32

4. Notes

- (1) Changes in significant subsidiaries during the six months ended December 31, 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: 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 December 31, 2023	32,712,000 shares	As of June 30, 2023	32,712,000 shares
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Number of treasury shares at the end of the period

As of December 31, 2023	53,608 shares	As of June 30, 2023	82,628 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended December 31, 2023	32,642,615 shares	Six months ended December 31, 2022	32,623,022 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of June 30, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	6,813	6,862
Accounts receivable - trade	2,885	3,101
Real estate for sale	1,628	0
Real estate for development	4,171	7,338
Money held in trust	4,731	5,042
Other	1,225	872
Allowance for doubtful accounts	(7)	(7)
Total current assets	21,448	23,209
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	6,802	6,646
Land	1,822	1,822
Leased assets, net	212	175
Construction in progress	1,383	2,200
Other, net	817	824
Total property, plant and equipment	11,037	11,669
Intangible assets		
Goodwill	2,802	2,697
Other	71	342
Total intangible assets	2,873	3,039
Investments and other assets		
Investment securities	610	610
Guarantee deposits	5,298	5,362
Deferred tax assets	1,357	1,354
Other	679	546
Total investments and other assets	7,944	7,873
Total non-current assets	21,856	22,582
Total assets	43,304	45,792

(Millions of yen)

	As of June 30, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	300	327
Short-term borrowings	5,374	6,999
Current portion of long-term borrowings	955	951
Lease liabilities	87	75
Income taxes payable	1,272	719
Accounts payable - other	1,823	2,013
Contract liabilities	9,713	10,889
Provision for bonuses	135	139
Other	397	303
Total current liabilities	20,060	22,419
Non-current liabilities		
Long-term borrowings	6,597	6,294
Lease liabilities	146	117
Retirement benefit liability	664	702
Asset retirement obligations	214	215
Deferred tax liabilities	214	212
Other	271	259
Total non-current liabilities	8,108	7,801
Total liabilities	28,168	30,220
Net assets		
Shareholders' equity		
Share capital	2,759	2,759
Capital surplus	2,758	2,762
Retained earnings	9,646	10,065
Treasury shares	(66)	(42)
Total shareholders' equity	15,098	15,544
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(0)	(0)
Remeasurements of defined benefit plans	(11)	(6)
Total accumulated other comprehensive income	(12)	(7)
Share acquisition rights	50	34
Total net assets	15,135	15,571
Total liabilities and net assets	43,304	45,792

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Net sales	14,851	18,587
Cost of sales	12,551	15,569
Gross profit	2,299	3,017
Selling, general and administrative expenses	1,362	1,446
Operating profit	937	1,570
Non-operating income		
Interest income	1	2
Subsidy income	239	176
Other	26	31
Total non-operating income	267	209
Non-operating expenses		
Interest expenses	22	23
Other	3	2
Total non-operating expenses	26	25
Ordinary profit	1,178	1,755
Extraordinary income		
Subsidy income	30	–
Total extraordinary income	30	–
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	29	–
Total extraordinary losses	29	–
Profit before income taxes	1,179	1,755
Income taxes	421	618
Profit	757	1,136
Profit attributable to owners of parent	757	1,136

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Profit	757	1,136
Other comprehensive income		
Deferred gains or losses on hedges, before tax	4	0
Remeasurements of defined benefit plans, before tax	4	5
Total other comprehensive income	8	5
Comprehensive income	766	1,141
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	766	1,141

Consolidated statements of cash flows

(Millions of yen)

	Six months ended December 31, 2022	Six months ended December 31, 2023
Cash flows from operating activities		
Profit before income taxes	1,179	1,755
Depreciation	314	324
Amortization of goodwill	107	107
Increase (decrease) in allowance for doubtful accounts	(1)	–
Increase (decrease) in provision for bonuses	4	3
Increase (decrease) in retirement benefit liability	67	44
Interest income	(1)	(2)
Subsidy income	(270)	(176)
Interest expenses	22	23
Loss on tax purpose reduction entry of non-current assets	29	–
Decrease (increase) in trade receivables	(142)	(215)
Decrease (increase) in inventories	(4,201)	(1,539)
Increase (decrease) in trade payables	27	26
Increase (decrease) in accounts payable - other	200	147
Increase (decrease) in contract liabilities	312	1,176
Other, net	(137)	107
Subtotal	(2,489)	1,785
Interest received	0	1
Interest paid	(25)	(23)
Subsidies received	159	92
Income taxes paid	(1,415)	(1,166)
Income taxes refund	–	379
Net cash provided by (used in) operating activities	(3,770)	1,067
Cash flows from investing activities		
Purchase of property, plant and equipment	(493)	(999)
Purchase of intangible assets	(21)	(284)
Purchase of investment securities	(300)	–
Decrease (increase) in money held in trust	(179)	(310)
Payments of guarantee deposits	(322)	(95)
Other, net	(89)	117
Net cash provided by (used in) investing activities	(1,405)	(1,571)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,824	1,625
Proceeds from long-term borrowings	–	190
Repayments of long-term borrowings	(657)	(497)
Repayments of lease liabilities	(50)	(47)
Dividends paid	(553)	(717)
Net cash provided by (used in) financing activities	2,562	553
Net increase (decrease) in cash and cash equivalents	(2,613)	49
Cash and cash equivalents at beginning of period	6,941	6,813
Cash and cash equivalents at end of period	4,327	6,862