

Translation

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Summary of Consolidated Financial Results for the Year Ended June 30, 2021 (Based on Japanese GAAP)

August 6, 2021

Company name: CHARM CARE CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6062 URL <https://www.charmcc.jp/>
 Representative: Chairman and President Takahiko Shimomura
 Director Administration Division General
 Inquiries: Manager Yukihiro Satomi TEL 06-6445-3389
 Scheduled date of ordinary general meeting of shareholders: September 28, 2021
 Scheduled date to file Securities Report: September 29, 2021
 Scheduled date to commence dividend payments: September 29, 2021
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended June 30, 2021 (from July 1, 2020 to June 30, 2021)

(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, 2021	22,984	—	2,015	—	2,319	—	1,535	—
Year ended June 30, 2020	—	—	—	—	—	—	—	—

	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, 2021	47.09	47.01	13.9	8.1	8.8
Year ended June 30, 2020	—	—	—	—	—

(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, 2021	28,597	11,125	38.7	339.66
As of June 30, 2020	—	—	—	—

(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, 2021	2,558	(3,704)	1,472	5,940
Year ended June 30, 2020	—	—	—	—

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, 2020	—	0.00	—	6.50	6.50	211	—	—
Year ended June 30, 2021	—	0.00	—	12.00	12.00	391	25.5	3.5
Year ending June 30, 2022 (Forecast)	—	0.00	—	15.00	15.00		16.3	

3. Forecast of consolidated financial results for the year ending June 30, 2022 (from July 1, 2021 to June 30, 2022)

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, 2021	12,950	–	1,000	–	980	–	950	–	29.13
Full year	30,000	–	2,930	–	2,900	–	3,000	–	92.00

4. Notes

(1) Changes in significant subsidiaries during the year ended June 30, 2021

(changes in specified subsidiaries resulting in the change in scope of consolidation): 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: No

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, 2021	32,712,000 shares	As of June 30, 2020	32,712,000 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	103,528 shares	As of June 30, 2020	103,488 shares
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Average number of shares during the period

Year ended June 30, 2021	32,608,484 shares	Year ended June 30, 2020	30,635,296 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

As of June 30, 2021

Assets	
Current assets	
Cash and deposits	5,940,654
Accounts receivable - trade	2,242,531
Real estate for development	1,111,272
Other	500,551
Allowance for doubtful accounts	(2,086)
Total current assets	9,792,923
Non-current assets	
Property, plant and equipment	
Buildings and structures, net	4,837,879
Land	2,665,758
Leased assets, net	233,092
Construction in progress	956,587
Other, net	316,086
Total property, plant and equipment	9,009,403
Intangible assets	
Goodwill	456,880
Other	91,373
Total intangible assets	548,253
Investments and other assets	
Guarantee deposits	4,317,407
Money held in trust	4,097,341
Deferred tax assets	384,171
Other	448,104
Total investments and other assets	9,247,025
Total non-current assets	18,804,682
Total assets	28,597,605

(Thousands of yen)

As of June 30, 2021

Liabilities	
Current liabilities	
Accounts payable - trade	221,983
Short-term borrowings	2,543,000
Current portion of long-term borrowings	862,878
Lease obligations	100,494
Income taxes payable	612,402
Accounts payable - other	1,336,924
Unearned revenue	1,720,396
Provision for bonuses	104,638
Other	328,913
Total current liabilities	<u>7,831,631</u>
Non-current liabilities	
Long-term borrowings	4,651,806
Lease obligations	153,455
Retirement benefit liability	518,576
Long-term unearned revenue	3,922,038
Asset retirement obligations	181,333
Other	212,883
Total non-current liabilities	<u>9,640,095</u>
Total liabilities	<u>17,471,726</u>
Net assets	
Shareholders' equity	
Share capital	2,759,250
Capital surplus	2,748,250
Retained earnings	5,697,974
Treasury shares	(82,954)
Total shareholders' equity	<u>11,122,519</u>
Accumulated other comprehensive income	
Deferred gains or losses on hedges	(11,130)
Remeasurements of defined benefit plans	(35,587)
Total accumulated other comprehensive income	<u>(46,717)</u>
Share acquisition rights	<u>50,076</u>
Total net assets	<u>11,125,878</u>
Total liabilities and net assets	<u>28,597,605</u>

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

(Thousands of yen)

	Fiscal year ended June 30, 2021
Net sales	22,984,089
Cost of sales	19,035,454
Gross profit	3,948,634
Selling, general and administrative expenses	1,933,474
Operating profit	2,015,160
Non-operating income	
Interest income	3,282
Subsidy income	329,353
Other	23,533
Total non-operating income	356,169
Non-operating expenses	
Interest expenses	47,262
Other	5,030
Total non-operating expenses	52,292
Ordinary profit	2,319,036
Extraordinary losses	
Loss on retirement of non-current assets	1,690
Loss on sale of non-current assets	24,006
Total extraordinary losses	25,697
Profit before income taxes	2,293,339
Income taxes - current	864,619
Income taxes - deferred	(106,869)
Total income taxes	757,749
Profit	1,535,589
Profit attributable to owners of parent	1,535,589

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended
	June 30, 2021
Profit	1,535,589
Other comprehensive income	
Deferred gains or losses on hedges, before tax	1,429
Remeasurements of defined benefit plans, before tax	(20,532)
Total other comprehensive income	(19,103)
Comprehensive income	1,516,486
Comprehensive income attributable to	
Comprehensive income attributable to owners of parent	1,516,486

Consolidated statements of changes in equity

Fiscal year ended June 30, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	2,759,250	2,748,250	4,374,339	(82,904)	9,798,935
Changes during period					
Dividends of surplus			(211,955)		(211,955)
Profit attributable to owners of parent			1,535,589		1,535,589
Purchase of treasury shares				(49)	(49)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	1,323,634	(49)	1,323,584
Balance at end of period	2,759,250	2,748,250	5,697,974	(82,954)	11,122,519

	Accumulated other comprehensive income			Share acquisition rights	Total net assets
	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	(12,559)	(15,055)	(27,614)	36,065	9,807,386
Changes during period					
Dividends of surplus			–		(211,955)
Profit attributable to owners of parent			–		1,535,589
Purchase of treasury shares					(49)
Net changes in items other than shareholders' equity	1,429	(20,532)	(19,103)	14,011	(5,091)
Total changes during period	1,429	(20,532)	(19,103)	14,011	1,318,492
Balance at end of period	(11,130)	(35,587)	(46,717)	50,076	11,125,878

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended June 30, 2021
Cash flows from operating activities	
Profit before income taxes	2,293,339
Depreciation	476,417
Amortization of goodwill	32,634
Loss on retirement of non-current assets	1,690
Loss on sale of non-current assets	24,006
Increase (decrease) in allowance for doubtful accounts	1,967
Increase (decrease) in provision for bonuses	12,786
Increase (decrease) in retirement benefit liability	73,702
Interest income	(3,282)
Interest expenses	47,262
Subsidy income	(329,353)
Decrease (increase) in trade receivables	(266,357)
Decrease (increase) in inventories	(367,416)
Increase (decrease) in trade payables	21,488
Increase (decrease) in accounts payable - other	118,807
Increase (decrease) in unearned revenue	715,612
Other, net	56,880
Subtotal	2,910,187
Interest received	56
Interest paid	(47,482)
Subsidies received	342,450
Income taxes paid	(646,430)
Net cash provided by (used in) operating activities	2,558,781
Cash flows from investing activities	
Purchase of property, plant and equipment	(2,414,712)
Proceeds from sale of property, plant and equipment	135,473
Purchase of intangible assets	(20,065)
Investments in money held in trust	(397,683)
Payments of guarantee deposits	(499,644)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(531,675)
Other, net	23,544
Net cash provided by (used in) investing activities	(3,704,763)
Cash flows from financing activities	
Net increase (decrease) in short-term borrowings	1,778,200
Proceeds from long-term borrowings	912,720
Repayments of long-term borrowings	(896,985)
Repayments of lease obligations	(109,228)
Dividends paid	(211,870)
Purchase of treasury shares	(49)
Net cash provided by (used in) financing activities	1,472,785
Net increase (decrease) in cash and cash equivalents	326,804
Cash and cash equivalents at beginning of period	5,613,850
Cash and cash equivalents at end of period	5,940,654