

Translation

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Summary of Consolidated Financial Results for the Three Months Ended September 30, 2021 (Based on Japanese GAAP)

November 8, 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 to file Quarterly Securities Report: November 8, 2021
 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 September 30, 2021 (from July 1, 2021 to September 30, 2021)

(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	%
Three months ended September 30, 2021	5,986	–	401	–	398	–	262	–
Three months ended September 30, 2020	5,622	–	466	–	526	–	331	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended September 30, 2021	8.06		8.05	
Three months ended September 30, 2020	10.16		10.15	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2021	29,613	9,738	32.7
As of June 30, 2021	28,597	11,125	38.7

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, 2021	–	0.00	–	12.00	12.00
Year ending June 30, 2022	–				
Year ending June 30, 2022 (Forecast)		0.00	–	15.00	15.00

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 three months ended September 30, 2021
(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: Yes
- 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 September 30, 2021	32,712,000 shares	As of June 30, 2021	32,712,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	103,528 shares	As of June 30, 2021	103,528 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended September 30, 2021	32,608,472 shares	Three months ended September 30, 2020	32,608,512 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2021	As of September 30, 2021
Assets		
Current assets		
Cash and deposits	5,940,654	5,424,356
Accounts receivable - trade	2,242,531	2,168,449
Real estate for development	1,111,272	1,232,846
Money held in trust	–	4,115,649
Other	500,551	532,444
Allowance for doubtful accounts	(2,086)	(2,133)
Total current assets	9,792,923	13,471,614
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,837,879	6,219,744
Land	2,665,758	2,665,758
Leased assets, net	233,092	229,853
Construction in progress	956,587	209,005
Other, net	316,086	385,867
Total property, plant and equipment	9,009,403	9,710,229
Intangible assets		
Goodwill	456,880	448,722
Other	91,373	85,054
Total intangible assets	548,253	533,776
Investments and other assets		
Guarantee deposits	4,317,407	4,453,232
Money held in trust	4,097,341	–
Deferred tax assets	384,171	939,276
Other	448,104	505,747
Total investments and other assets	9,247,025	5,898,257
Total non-current assets	18,804,682	16,142,262
Total assets	28,597,605	29,613,876

(Thousands of yen)

	As of June 30, 2021	As of September 30, 2021
Liabilities		
Current liabilities		
Accounts payable - trade	221,983	225,074
Short-term borrowings	2,543,000	2,654,000
Current portion of long-term borrowings	862,878	838,737
Lease obligations	100,494	99,344
Income taxes payable	612,402	178,575
Accounts payable - other	1,336,924	1,262,943
Unearned revenue	1,720,396	–
Contract liabilities	–	7,531,598
Provision for bonuses	104,638	379,479
Other	328,913	417,588
Total current liabilities	7,831,631	13,587,341
Non-current liabilities		
Long-term borrowings	4,651,806	5,176,613
Lease obligations	153,455	151,786
Retirement benefit liability	518,576	539,902
Long-term unearned revenue	3,922,038	–
Asset retirement obligations	181,333	207,638
Other	212,883	212,100
Total non-current liabilities	9,640,095	6,288,039
Total liabilities	17,471,726	19,875,381
Net assets		
Shareholders' equity		
Share capital	2,759,250	2,759,250
Capital surplus	2,748,250	2,748,250
Retained earnings	5,697,974	4,305,984
Treasury shares	(82,954)	(82,954)
Total shareholders' equity	11,122,519	9,730,529
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(11,130)	(9,198)
Remeasurements of defined benefit plans	(35,587)	(32,912)
Total accumulated other comprehensive income	(46,717)	(42,111)
Share acquisition rights	50,076	50,076
Total net assets	11,125,878	9,738,495
Total liabilities and net assets	28,597,605	29,613,876

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2020	Three months ended September 30, 2021
Net sales	5,622,173	5,986,673
Cost of sales	4,638,472	5,084,529
Gross profit	983,701	902,144
Selling, general and administrative expenses	516,900	500,644
Operating profit	466,800	401,499
Non-operating income		
Interest income	846	817
Subsidy income	55,705	3,823
Other	13,659	5,070
Total non-operating income	70,210	9,711
Non-operating expenses		
Interest expenses	10,567	12,543
Other	370	465
Total non-operating expenses	10,938	13,009
Ordinary profit	526,072	398,201
Profit before income taxes	526,072	398,201
Income taxes	194,675	135,318
Profit	331,397	262,882
Profit attributable to owners of parent	331,397	262,882

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended September 30, 2020	Three months ended September 30, 2021
Profit	331,397	262,882
Other comprehensive income		
Deferred gains or losses on hedges, before tax	(980)	1,931
Remeasurements of defined benefit plans, before tax	1,428	2,674
Total other comprehensive income	447	4,606
Comprehensive income	331,844	267,489
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	331,844	267,489