



Consolidated Financial Results for the Nine Months Ended September 30, 2021 [Japanese GAAP]

November 11, 2021

Company name: CareNet, Inc.

Stock exchange listing: Tokyo Stock Exchange

Securities code: 2150

URL: <http://www.carenet.co.jp>

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Scheduled date for filing quarterly securities report:

Scheduled date for commencing dividend payments: –

November 11, 2021

Preparation of supplementary quarterly financial results briefing materials: No

Holding of quarterly financial results briefing: No

(Amounts of less than one million yen are truncated.)

1. Consolidated financial results for the nine months ended September 30, 2021 (January 1, 2021 to September 30, 2021)

(1) Consolidated operating results (cumulative)

(% indicates year-over-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended September 30, 2021	5,635	76.9	2,013	94.3	2,031	96.4	1,388	145.3
Nine months ended September 30, 2020	3,185	48.4	1,036	159.8	1,034	166.2	565	128.2

(Note) Comprehensive income: Nine months ended September 30, 2021: 1,312 million yen [61.6%]

Nine months ended September 30, 2020: 812 million yen [720.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2021	33.37	33.34
Nine months ended September 30, 2020	13.63	—

(Note) Diluted earnings per share for the nine months ended September 30, 2020, is not stated as there are no dilutive shares.

On October 1, 2021, the Company conducted a stock split at a ratio of four shares to one share of common stock. Net assets per share is calculated under the assumption that said stock split occurred at the beginning of the fiscal year ended December 31, 2020.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2021	8,407	6,698	79.5	154.40
As of December 31, 2020	5,319	3,085	57.8	74.02

(Reference) Equity: As of September 30, 2021: 6,683 million yen

As of December 31, 2020: 3,073 million yen

(Note) On October 1, 2021, the Company conducted a stock split at a ratio of four shares to one share of common stock. Net assets per share is calculated under the assumption that said stock split has occurred at the beginning of the fiscal year ended December 31, 2020.

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2020	—	0.00	—	8.00	8.00
Fiscal year ending December 31, 2021	—	0.00	—		
Fiscal year ending December 31, 2021 (forecast)				2.00	2.00

(Note) Revision to the most recently announced dividend forecast: None

On October 1, 2021, the Company conducted a stock split at a ratio of four shares to one share of common stock. Dividend forecast amounts for the fiscal year ending December 31, 2021, have taken said stock split into account.

3. Consolidated financial results forecast for the fiscal year ending December 31, 2021 (January 1, 2021 to December 31, 2021)
(% indicates year-over-year change)

Full year	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	7,664	44.5	2,211	46.4	2,222	47.5	1,400	71.7	33.71

(Note) Revision to the most recently announced financial results forecast: None

On October 1, 2021, the Company conducted a stock split at a ratio of four shares to one share of common stock. Basic earnings per share for the consolidated financial results forecast for the fiscal year ending December 31, 2021, have taken said stock split into account.

* Notes

(1) Changes in significant subsidiaries during the current period (changes in specified subsidiaries resulting in the changes in the scope of consolidation): None

(2) Accounting treatments adopted specially for the preparation of quarterly consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and retrospective restatements

1) Changes in accounting policies due to application of new or revised accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

(4) Number of shares of common stock issued

1) Number of shares issued at the end of the period (including treasury stock)

As of September 30, 2021	45,952,000 shares	As of December 31, 2020	44,192,000 shares
As of September 30, 2021	2,665,568 shares	As of December 31, 2020	2,665,168 shares
Nine months ended September 30, 2021	41,597,385 shares	Nine months ended September 30, 2020	41,526,976 shares

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

3) Average number of shares of common stock during the period (cumulative)

(Note) On October 1, 2021, the Company conducted a stock split at a ratio of four shares to one share of common stock. The number of shares issued at the end of the period, number of shares of treasury stock at the end of the period, and average number of shares of common stock during the period are calculated assuming that said stock split occurred at the beginning of the fiscal year ended December 31, 2020.

* These quarterly financial results are not subject to quarterly review procedures to be performed by certified public accountants or an audit firm.

* Explanation on appropriate use of financial results forecasts and other matters of note

1. Financial results forecasts and other forward-looking statements provided in these materials are estimated based on information available to the Company as of the date of publication. Actual financial results may differ from these forecasts owing to changes in future economic conditions and other factors.

Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheets

(Thousand yen)

	Previous fiscal year (As of December 31, 2020)	Nine months under review (As of September 30, 2021)
Assets		
Current assets		
Cash and deposits	2,406,402	5,694,447
Notes and accounts receivable – trade	1,758,667	1,397,376
Inventories	30,217	35,591
Prepaid expenses	45,179	45,253
Other	85,317	43,658
Total current assets	4,325,784	7,216,327
Non-current assets		
Property, plant and equipment	41,550	120,997
Intangible assets		
Goodwill	80,747	111,053
Other	100,400	92,551
Total intangible assets	181,147	203,605
Investments and other assets	770,929	866,353
Total non-current assets	993,627	1,190,956
Total assets	5,319,411	8,407,283
Liabilities		
Current liabilities		
Accounts payable – trade	71,406	65,458
Income taxes payable	608,791	426,963
Advances received	11,223	6,914
Provision for bonuses for directors (and other officers)	220,000	–
Provision for point card certificates	525,665	645,168
Asset retirement obligations	–	14,796
Other	772,344	524,582
Total current liabilities	2,209,431	1,683,884
Non-current liabilities		
Long-term borrowings	10,000	10,000
Asset retirement obligations	14,622	–
Provision for share awards for directors (and other officers)	–	14,899
Total non-current liabilities	24,622	24,899
Total liabilities	2,234,053	1,708,783
Net assets		
Shareholders' equity		
Share capital	627,045	1,816,382
Capital surplus	551,260	2,027,959
Retained earnings	2,210,214	3,515,305
Treasury shares	(451,038)	(739,482)
Total shareholders' equity	2,937,483	6,620,164
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	138,388	68,116
Foreign currency translation adjustment	(2,049)	(4,845)
Total accumulated other comprehensive income	136,339	63,270
Share acquisition rights	–	10,001
Non-controlling interests	11,535	5,063
Total net assets	3,085,357	6,698,500
Total liabilities and net assets	5,319,411	8,407,283

(2) Quarterly consolidated statements of income and comprehensive income

(Quarterly consolidated statements of income)

(For the nine months ended September 30, 2021)

(Thousand yen)

	Previous nine months period (January 1, 2020 to September 30, 2020)	Nine months under review (January 1, 2021 to September 30, 2021)
Net sales	3,185,786	5,635,803
Cost of sales	957,036	1,702,298
Gross profit	2,228,749	3,933,504
Selling, general and administrative expenses	1,192,342	1,919,900
Operating profit	1,036,406	2,013,603
Non-operating income		
Interest income	421	110
Dividend income	4,997	7,920
Commission income	1,631	—
Dividend income of insurance	1,650	1,939
Foreign exchange gains	—	9,871
Reversal of allowance for doubtful accounts	—	290
Miscellaneous income	599	5,101
Total non-operating income	9,300	25,233
Non-operating expenses		
Interest expenses	3,681	1,664
Foreign exchange losses	4,534	—
Provision of allowance for doubtful accounts	2,910	—
Share acquisition rights issuance costs	—	3,437
Miscellaneous loss	163	2,539
Total non-operating expenses	11,290	7,641
Ordinary profit	1,034,416	2,031,196
Extraordinary losses		
Loss on valuation of investment securities	120,600	—
Total extraordinary losses	120,600	—
Profit before income taxes	913,816	2,031,196
Income taxes – current	376,334	721,849
Income taxes – deferred	(31,383)	(76,570)
Total income taxes	344,950	645,278
Profit	568,866	1,385,917
Profit (loss) attributable to non-controlling interests	3,019	(2,226)
Profit attributable to owners of parent	565,846	1,388,143

(Quarterly consolidated statements of comprehensive income)
(For the nine months ended September 30, 2021)

(Thousand yen)

	Previous nine months period (January 1, 2020 to September 30, 2020)	Nine months under review (January 1, 2021 to September 30, 2021)
Profit	568,866	1,385,917
Other comprehensive income		
Valuation difference on available-for-sale securities	242,636	(70,272)
Foreign currency translation adjustment	1,050	(2,796)
Total other comprehensive income	243,687	(73,068)
Comprehensive income	812,553	1,312,848
Comprehensive income attributable to:		
Owners of parent	809,533	1,315,075
Non-controlling interests	3,019	(2,226)