

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Nine Months Ended March 31, 2022 (Based on Japanese GAAP)

May 9, 2022

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: May 9, 2022
 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 nine months ended March 31, 2022 (from July 1, 2021 to March 31, 2022)

(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	%
Nine months ended March 31, 2022	21,608	–	1,816	–	1,955	–	2,295	–
Nine months ended March 31, 2021	17,094	–	1,504	–	1,782	–	1,155	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended March 31, 2022	70.38		70.25	
Nine months ended March 31, 2021	35.44		35.39	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2022	35,727	11,792	32.9
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	–	0.00	–		
Year ending June 30, 2022 (Forecast)				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
Full year	30,000	–	2,930	–	2,900	–	3,000	–	92.00

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended March 31, 2022
 (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 March 31, 2022	32,712,000 shares	As of June 30, 2021	32,712,000 shares
----------------------	-------------------	---------------------	-------------------

Number of treasury shares at the end of the period

As of March 31, 2022	95,328 shares	As of June 30, 2021	103,528 shares
----------------------	---------------	---------------------	----------------

Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended March 31, 2022	32,613,111 shares	Nine months ended March 31, 2021	32,608,488 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of June 30, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	5,940,654	5,178,457
Accounts receivable - trade	2,242,531	2,358,650
Real estate for sale	–	432,299
Real estate for development	1,111,272	33,000
Money held in trust	–	4,201,910
Other	500,551	702,694
Allowance for doubtful accounts	(2,086)	(3,408)
Total current assets	9,792,923	12,903,603
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,837,879	8,402,147
Land	2,665,758	3,542,351
Leased assets, net	233,092	201,683
Construction in progress	956,587	412,561
Other, net	316,086	582,059
Total property, plant and equipment	9,009,403	13,140,804
Intangible assets		
Goodwill	456,880	3,071,114
Other	91,373	74,935
Total intangible assets	548,253	3,146,050
Investments and other assets		
Investment securities	–	300,000
Guarantee deposits	4,317,407	4,707,414
Money held in trust	4,097,341	–
Deferred tax assets	384,171	945,857
Other	448,104	583,399
Total investments and other assets	9,247,025	6,536,672
Total non-current assets	18,804,682	22,823,526
Total assets	28,597,605	35,727,130

(Thousands of yen)

	As of June 30, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	221,983	241,720
Short-term borrowings	2,543,000	1,640,000
Current portion of long-term borrowings	862,878	1,365,235
Lease obligations	100,494	89,978
Income taxes payable	612,402	917,888
Accounts payable - other	1,336,924	1,392,315
Unearned revenue	1,720,396	–
Contract liabilities	–	8,051,291
Provision for bonuses	104,638	417,528
Other	328,913	495,532
Total current liabilities	7,831,631	14,611,490
Non-current liabilities		
Long-term borrowings	4,651,806	7,945,421
Lease obligations	153,455	130,693
Retirement benefit liability	518,576	588,503
Long-term unearned revenue	3,922,038	–
Asset retirement obligations	181,333	224,151
Deferred tax liabilities	–	223,306
Other	212,883	211,037
Total non-current liabilities	9,640,095	9,323,113
Total liabilities	17,471,726	23,934,603
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	6,338,301
Treasury shares	(82,954)	(69,522)
Total shareholders' equity	11,122,519	11,776,279
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(11,130)	(6,266)
Remeasurements of defined benefit plans	(35,587)	(27,563)
Total accumulated other comprehensive income	(46,717)	(33,829)
Share acquisition rights	50,076	50,076
Total net assets	11,125,878	11,792,526
Total liabilities and net assets	28,597,605	35,727,130

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended March 31, 2021	Nine months ended March 31, 2022
Net sales	17,094,198	21,608,803
Cost of sales	14,136,113	18,067,604
Gross profit	2,958,084	3,541,199
Selling, general and administrative expenses	1,453,572	1,724,340
Operating profit	1,504,512	1,816,859
Non-operating income		
Interest income	2,487	3,187
Subsidy income	293,228	168,825
Other	26,096	23,979
Total non-operating income	321,812	195,992
Non-operating expenses		
Interest expenses	35,387	53,469
Other	8,640	3,851
Total non-operating expenses	44,028	57,321
Ordinary profit	1,782,296	1,955,530
Extraordinary income		
Gain on sale of non-current assets	–	1,593,791
Subsidy income	–	86,007
Total extraordinary income	–	1,679,798
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	–	84,643
Other	–	5,479
Total extraordinary losses	–	90,123
Profit before income taxes	1,782,296	3,545,205
Income taxes	626,599	1,250,004
Profit	1,155,696	2,295,200
Profit attributable to owners of parent	1,155,696	2,295,200

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended March 31, 2021	Nine months ended March 31, 2022
Profit	1,155,696	2,295,200
Other comprehensive income		
Deferred gains or losses on hedges	1,439	4,864
Remeasurements of defined benefit plans, net of tax	4,284	8,023
Total other comprehensive income	5,723	12,888
Comprehensive income	1,161,420	2,308,088
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,161,420	2,308,088