



Consolidated Financial Results for the Three Months Ended March 31, 2022 [Japanese GAAP]

May 12, 2022

Company name: CareNet, Inc.

Securities code: 2150

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Scheduled date for filing quarterly securities report:

May 13, 2022

Stock exchange listing: Tokyo Stock Exchange

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Scheduled date for commencing dividend payments: —

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 three months ended March 31, 2022 (January 1, 2022 to March 31, 2022)

(1) Consolidated operating results

(% 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	%
Three months ended March 31, 2022	2,222	—	838	—	839	—	558	—
Three months ended March 31, 2021	2,058	150.6	849	347.2	860	358.6	587	—

(Note) Comprehensive income: Three months ended March 31, 2022: 422 million yen [—%]

Three months ended March 31, 2021: 607 million yen [—%]

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 31, 2020) and other standards have been applied since the beginning of the three months ended March 31, 2022, and the figures for the three months ended March 31, 2022 represent the figures after the application of these accounting standards. Accordingly, year-over-year percentage changes are not stated.

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2022	12.61	—
Three months ended March 31, 2021	14.14	—

(Note) Diluted earnings per share 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. Basic earnings per share is calculated under the assumption that said stock split occurred at the beginning of the fiscal year ended December 31, 2021.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2022	10,065	8,357	82.8	188.23
As of December 31, 2021	10,742	8,138	75.6	183.42

(Reference) Equity: As of March 31, 2022: 8,333 million yen As of December 31, 2021: 8,121 million yen

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 31, 2020) and other standards have been applied since the beginning of the three months ended March 31, 2022, and the figures for the three months ended March 31, 2022 represent the figures after the application of these accounting standards.

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, 2021	—	0.00	—	6.00	6.00
Fiscal year ending December 31, 2022	—				
Fiscal year ending December 31, 2022 (forecast)		0.00	—	6.00	6.00

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

3. Consolidated financial results forecast for the fiscal year ending December 31, 2022 (January 1, 2022 to December 31, 2022)
(% 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
	9,000	—	2,589	—	2,614	—	1,818	—	41.06

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

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 31, 2020) and other standards have been applied since the beginning of the three months ended March 31, 2022, and the figures in the above consolidated financial results forecast represent the figures after the application of these accounting standards. Accordingly, year-over-year percentage changes are not stated.

* 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: Yes
- 2) Changes in accounting policies other than 1) above: None
- 3) Changes in accounting estimates: None
- 4) Retrospective restatements: None

(Note) For details, please see “2. Quarterly consolidated financial statements and principal notes (3) Notes to quarterly consolidated financial statements (Changes in accounting policies)” on page 7 of the Japanese version of this attachment.

(4) Number of shares of common stock issued

- 1) Number of shares issued at the end of the period (including treasury stock)
- 2) Number of shares of treasury stock at the end of the period
- 3) Average number of shares of common stock during the period

As of March 31, 2022	46,872,000 shares	As of December 31, 2021	46,872,000 shares
As of March 31, 2022	2,597,568 shares	As of December 31, 2021	2,597,568 shares
Three months ended March 31, 2022	44,274,432 shares	Three months ended March 31, 2021	41,526,832 shares

(Note) 1. The Company’s shares held by the “Board Benefit Trust (BBT)” and the “Board Benefit Trust (J-ESOP)” are included in the treasury stock deduced in the calculation of the average number of shares of common stock during the period.

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

* 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, 2021)	Three months under review (As of March 31, 2022)
Assets		
Current assets		
Cash and deposits	7,365,483	6,997,143
Accounts receivable – trade	1,901,951	–
Accounts receivable - trade and contract assets	–	1,724,772
Electronically recorded monetary claims - operating	92,730	66,055
Inventories	35,273	24,751
Prepaid expenses	111,970	138,273
Other	99,780	55,995
Total current assets	9,607,189	9,006,991
Non-current assets		
Property, plant and equipment	207,590	205,158
Intangible assets		
Goodwill	103,683	96,312
Other	27,293	33,036
Total intangible assets	130,976	129,348
Investments and other assets	796,894	723,890
Total non-current assets	1,135,460	1,058,396
Total assets	10,742,650	10,065,388

(Thousand yen)

	Previous fiscal year (As of December 31, 2021)	Three months under review (As of March 31, 2022)
Liabilities		
Current liabilities		
Accounts payable – trade	129,377	114,282
Current portion of long-term borrowings	480	480
Income taxes payable	613,781	237,568
Advances received	3,432	7,389
Provision for bonuses for directors (and other officers)	234,500	–
Provision for point card certificates	672,732	729,777
Other	864,438	525,361
Total current liabilities	2,518,742	1,614,860
Non-current liabilities		
Long-term borrowings	9,520	9,520
Deferred tax liabilities	34	37
Asset retirement obligations	48,444	48,455
Provision for share awards for directors (and other officers)	16,254	21,672
Provision for share awards for employees	11,020	11,020
Other	–	2,304
Total non-current liabilities	85,272	93,008
Total liabilities	2,604,015	1,707,868
Net assets		
Shareholders' equity		
Share capital	2,405,636	2,405,636
Capital surplus	2,781,699	2,781,699
Retained earnings	3,736,277	3,956,400
Treasury shares	(806,320)	(806,320)
Total shareholders' equity	8,117,292	8,337,415
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,726	(3,478)
Total accumulated other comprehensive income	3,726	(3,478)
Non-controlling interests	17,616	23,582
Total net assets	8,138,635	8,357,519
Total liabilities and net assets	10,742,650	10,065,388

(2) Quarterly consolidated statements of income and comprehensive income
(Quarterly consolidated statements of income)
(For the three months ended March 31)

(Thousand yen)

	Previous three month period (January 1, 2021 to March 31, 2021)	Three months under review (January 1, 2022 to March 31, 2022)
Net sales	2,058,135	2,222,788
Cost of sales	619,154	711,974
Gross profit	1,438,981	1,510,814
Selling, general and administrative expenses	589,609	672,780
Operating profit	849,371	838,033
Non-operating income		
Interest income	42	84
Foreign exchange gains	8,182	5,643
Reversal of allowance for doubtful accounts	590	—
Miscellaneous income	2,518	740
Total non-operating income	11,334	6,468
Non-operating expenses		
Interest expenses	534	294
Share issuance costs	—	2,845
Loss on investments in investment partnerships	—	2,296
Miscellaneous loss	0	—
Total non-operating expenses	534	5,436
Ordinary profit	860,172	839,065
Profit before income taxes	860,172	839,065
Income taxes – current	292,520	220,441
Income taxes – deferred	(18,167)	54,448
Total income taxes	274,353	274,890
Profit	585,818	564,175
Profit (loss) attributable to non-controlling interests	(1,487)	5,965
Profit attributable to owners of parent	587,306	558,209

(Quarterly consolidated statements of comprehensive income)

(For the three months ended March 31)

(Thousand yen)

	Previous three month period (January 1, 2021 to March 31, 2021)	Three months under review (January 1, 2022 to March 31, 2022)
Profit	585,818	564,175
Other comprehensive income		
Valuation difference on available-for-sale securities	24,043	(141,866)
Foreign currency translation adjustment	(2,057)	—
Total other comprehensive income	21,985	(141,866)
Comprehensive income	607,804	422,308
Comprehensive income attributable to:		
Owners of parent	609,292	416,342
Non-controlling interests	(1,487)	5,965