

Translation

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Summary of Consolidated Financial Results for the Three Months Ended September 30, 2022 (Based on Japanese GAAP)

November 7, 2022

Company name: CHARM CARE CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6062 URL <https://www.charmcc.jp/>
 Representative: Chairman and President Takahiko Shimomura
 Inquiries: Director Managing Executive Officer Yukihiro Satomi TEL 06-6445-3389
 Scheduled date to file Quarterly Securities Report: November 7, 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 three months ended September 30, 2022 (from July 1, 2022 to September 30, 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	%
Three months ended September 30, 2022	7,352	22.8	491	22.3	559	40.6	362	37.9
Three months ended September 30, 2021	5,986	–	401	–	398	–	262	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended September 30, 2022	11.12		11.10	
Three months ended September 30, 2021	8.06		8.05	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2022	37,205	12,269	32.8
As of June 30, 2022	37,355	12,458	33.2

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, 2022	–	0.00	–	17.00	17.00
Year ending June 30, 2023	0.00				
Year ending June 30, 2023 (Forecast)		0.00	–	22.00	22.00

3. Forecast of consolidated financial results for the year ending June 30, 2023 (from July 1, 2022 to June 30, 2023)

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, 2022	15,130	20.9	1,000	12.5	1,040	18.1	665	20.1	20.89
Full year	40,460	39.2	4,330	87.5	4,380	74.7	3,760	27.4	115.29

4. Notes

- (1) Changes in significant subsidiaries during the three months ended September 30, 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: No
- Changes in accounting policies due to other reasons: No
- 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, 2022	32,712,000 shares	As of June 30, 2022	32,712,000 shares
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Number of treasury shares at the end of the period

As of September 30, 2022	95,328 shares	As of June 30, 2022	95,328 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, 2022	32,616,672 shares	Three months ended September 30, 2021	32,608,472 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of June 30, 2022	As of September 30, 2022
Assets		
Current assets		
Cash and deposits	6,941	2,411
Accounts receivable - trade	2,596	2,586
Real estate for sale	580	1,232
Real estate for development	1,897	5,166
Money held in trust	4,443	4,555
Other	619	652
Allowance for doubtful accounts	(3)	(3)
Total current assets	17,075	16,602
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,585	7,471
Land	1,822	1,822
Leased assets, net	206	201
Construction in progress	254	277
Other, net	559	564
Total property, plant and equipment	10,427	10,337
Intangible assets		
Goodwill	3,017	2,963
Other	66	75
Total intangible assets	3,083	3,039
Investments and other assets		
Investment securities	300	600
Guarantee deposits	4,770	4,947
Deferred tax assets	1,120	1,119
Other	577	559
Total investments and other assets	6,768	7,225
Total non-current assets	20,279	20,602
Total assets	37,355	37,205

(Millions of yen)

	As of June 30, 2022	As of September 30, 2022
Liabilities		
Current liabilities		
Accounts payable - trade	264	276
Short-term borrowings	2,140	3,446
Current portion of long-term borrowings	1,177	1,127
Lease liabilities	89	89
Income taxes payable	1,510	252
Accounts payable - other	1,642	1,584
Contract liabilities	8,870	9,054
Provision for bonuses	124	445
Other	457	314
Total current liabilities	16,277	16,590
Non-current liabilities		
Long-term borrowings	7,336	7,030
Lease liabilities	136	132
Retirement benefit liability	585	614
Asset retirement obligations	224	225
Deferred tax liabilities	133	132
Other	202	209
Total non-current liabilities	8,619	8,344
Total liabilities	24,896	24,935
Net assets		
Shareholders' equity		
Share capital	2,759	2,759
Capital surplus	2,755	2,755
Retained earnings	6,994	6,802
Treasury shares	(76)	(76)
Total shareholders' equity	12,432	12,240
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(4)	(4)
Remeasurements of defined benefit plans	(19)	(16)
Total accumulated other comprehensive income	(23)	(21)
Share acquisition rights	50	50
Total net assets	12,458	12,269
Total liabilities and net assets	37,355	37,205

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022
Net sales	5,986	7,352
Cost of sales	5,084	6,155
Gross profit	902	1,196
Selling, general and administrative expenses	500	705
Operating profit	401	491
Non-operating income		
Interest income	0	0
Subsidy income	3	69
Other	5	12
Total non-operating income	9	82
Non-operating expenses		
Interest expenses	12	11
Other	0	2
Total non-operating expenses	13	13
Ordinary profit	398	559
Extraordinary income		
Subsidy income	–	30
Total extraordinary income	–	30
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	–	29
Total extraordinary losses	–	29
Profit before income taxes	398	560
Income taxes	135	198
Profit	262	362
Profit attributable to owners of parent	262	362

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Three months ended September 30, 2021	Three months ended September 30, 2022
Profit	262	362
Other comprehensive income		
Deferred gains or losses on hedges, before tax	1	0
Remeasurements of defined benefit plans, before tax	2	2
Total other comprehensive income	4	2
Comprehensive income	267	365
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	267	365