

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 Six Months Ended December 31, 2022 (Based on Japanese GAAP)

February 3, 2023

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: February 6, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended December 31, 2022 (from July 1, 2022 to December 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	%
Six months ended December 31, 2022	14,851	18.7	937	5.4	1,178	33.8	757	36.9
Six months ended December 31, 2021	12,511	–	889	–	880	–	553	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended December 31, 2022	23.23		23.18	
Six months ended December 31, 2021	16.98		16.95	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2022	40,193	12,684	31.4
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)			–	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
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 six months ended December 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: 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 December 31, 2022	32,712,000 shares	As of June 30, 2022	32,712,000 shares
-------------------------	-------------------	---------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2022	82,628 shares	As of June 30, 2022	95,328 shares
-------------------------	---------------	---------------------	---------------

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

Six months ended December 31, 2022	32,623,022 shares	Six months ended December 31, 2021	32,612,572 shares
------------------------------------	-------------------	------------------------------------	-------------------

**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of June 30, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	6,941	4,327
Accounts receivable - trade	2,596	2,739
Real estate for sale	580	1,235
Real estate for development	1,897	5,442
Money held in trust	4,443	4,623
Other	619	754
Allowance for doubtful accounts	(3)	(1)
Total current assets	17,075	19,122
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	7,585	7,384
Land	1,822	1,822
Leased assets, net	206	204
Construction in progress	254	655
Other, net	559	576
Total property, plant and equipment	10,427	10,643
Intangible assets		
Goodwill	3,017	2,910
Other	66	67
Total intangible assets	3,083	2,978
Investments and other assets		
Investment securities	300	600
Guarantee deposits	4,770	5,065
Deferred tax assets	1,120	1,116
Other	577	667
Total investments and other assets	6,768	7,448
Total non-current assets	20,279	21,070
Total assets	37,355	40,193

(Millions of yen)

	As of June 30, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	264	291
Short-term borrowings	2,140	5,964
Current portion of long-term borrowings	1,177	1,080
Lease liabilities	89	89
Income taxes payable	1,510	524
Accounts payable - other	1,642	1,842
Contract liabilities	8,870	9,183
Provision for bonuses	124	128
Other	457	280
Total current liabilities	16,277	19,385
Non-current liabilities		
Long-term borrowings	7,336	6,776
Lease liabilities	136	135
Retirement benefit liability	585	646
Asset retirement obligations	224	226
Deferred tax liabilities	133	131
Other	202	206
Total non-current liabilities	8,619	8,123
Total liabilities	24,896	27,509
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,759	2,759
Capital surplus	2,755	2,758
Retained earnings	6,994	7,197
Treasury shares	(76)	(66)
Total shareholders' equity	12,432	12,649
Accumulated other comprehensive income		
Deferred gains or losses on hedges	(4)	(0)
Remeasurements of defined benefit plans	(19)	(14)
Total accumulated other comprehensive income	(23)	(15)
Share acquisition rights	50	50
Total net assets	12,458	12,684
<b>Total liabilities and net assets</b>	<b>37,355</b>	<b>40,193</b>

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Net sales	12,511	14,851
Cost of sales	10,509	12,551
Gross profit	2,002	2,299
Selling, general and administrative expenses	1,112	1,362
Operating profit	889	937
Non-operating income		
Interest income	1	1
Subsidy income	9	239
Other	15	26
Total non-operating income	26	267
Non-operating expenses		
Interest expenses	33	22
Other	1	3
Total non-operating expenses	35	26
Ordinary profit	880	1,178
Extraordinary income		
Subsidy income	13	30
Total extraordinary income	13	30
Extraordinary losses		
Loss on tax purpose reduction entry of non-current assets	13	29
Total extraordinary losses	13	29
Profit before income taxes	880	1,179
Income taxes	326	421
Profit	553	757
Profit attributable to owners of parent	553	757

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Profit	553	757
Other comprehensive income		
Deferred gains or losses on hedges, before tax	3	4
Remeasurements of defined benefit plans, before tax	5	4
Total other comprehensive income	8	8
Comprehensive income	562	766
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	562	766

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended December 31, 2021	Six months ended December 31, 2022
Cash flows from operating activities		
Profit before income taxes	880	1,179
Depreciation	276	314
Amortization of goodwill	61	107
Increase (decrease) in allowance for doubtful accounts	(0)	(1)
Increase (decrease) in provision for bonuses	(4)	4
Increase (decrease) in retirement benefit liability	55	67
Interest income	(1)	(1)
Subsidy income	(22)	(270)
Interest expenses	33	22
Loss on tax purpose reduction entry of non-current assets	13	29
Decrease (increase) in trade receivables	7	(142)
Decrease (increase) in inventories	(832)	(4,201)
Increase (decrease) in trade payables	18	27
Increase (decrease) in accounts payable - other	134	200
Increase (decrease) in unearned revenue	(5,642)	–
Increase (decrease) in contract liabilities	6,135	312
Other, net	(105)	(137)
Subtotal	1,006	(2,489)
Interest received	0	0
Interest paid	(32)	(25)
Subsidies received	9	159
Income taxes paid	(577)	(1,415)
Net cash provided by (used in) operating activities	406	(3,770)
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,376)	(493)
Purchase of intangible assets	(2)	(21)
Purchase of investment securities	(300)	(300)
Decrease (increase) in money held in trust	(52)	(179)
Payments of guarantee deposits	(200)	(322)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(4,438)	–
Other, net	8	(89)
Net cash provided by (used in) investing activities	(6,362)	(1,405)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	492	3,824
Proceeds from long-term borrowings	3,417	–
Repayments of long-term borrowings	(525)	(657)
Repayments of lease liabilities	(54)	(50)
Dividends paid	(391)	(553)
Net cash provided by (used in) financing activities	2,939	2,562
Net increase (decrease) in cash and cash equivalents	(3,016)	(2,613)
Cash and cash equivalents at beginning of period	5,940	6,941
Cash and cash equivalents at end of period	2,923	4,327