

**Translation**

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 2023

Company name: Japan Animal Referral Medical Center (JARMeC)  
 Stock exchange listing: Tokyo  
 Stock code: 6039 URL <https://www.jarmec.co.jp/>  
 Representative: Representative Director and President Hidehiro Hirao  
 Executive Director, Finance and Administration Takayuki Ishikawa TEL 044-850-1320  
 Inquiries: Administration  
 Scheduled date of ordinary general meeting of shareholders: June 22, 2023  
 Scheduled date to file Securities Report: June 23, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

#### (1) Consolidated operating results

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                         | %    |
| Year ended March 31, 2023 | 3,872           | 30.0 | 580              | 32.2 | 534             | 21.8 | 380                                     | 32.7 |
| Year ended March 31, 2022 | 2,979           | 4.6  | 439              | 8.3  | 438             | 6.7  | 286                                     | 0.6  |

|                           | Earnings per share | Diluted earnings per share | Profit attributable to owners of parent/equity | Ordinary profit/total assets | Operating profit/net sales |
|---------------------------|--------------------|----------------------------|--|------------------------------|----------------------------|
|                           | Yen                | Yen                        | %  | %                            | %                          |
| Year ended March 31, 2023 | 156.33             | 153.20                     | 12.2   | 6.8                          | 15.0                       |
| Year ended March 31, 2022 | 120.95             | 118.00                     | 11.8   | 6.8                          | 14.7                       |

#### (2) Consolidated financial position

|                      | Total assets    | Net assets      | Equity ratio | Net assets per share |
|----------------------|-----------------|-----------------|--------------|----------------------|
|                      | Millions of yen | Millions of yen | %            | Yen                  |
| As of March 31, 2023 | 8,578           | 3,706           | 43.2         | 1,354.99             |
| As of March 31, 2022 | 7,107           | 2,509           | 35.3         | 1,078.80             |

#### (3) Consolidated cash flows

|                           | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|---------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
|                           | Millions of yen                      | Millions of yen                      | Millions of yen                      | Millions of yen                            |
| Year ended March 31, 2023 | 810                                  | (784)                                | 820                                  | 1,816                                      |
| Year ended March 31, 2022 | 557                                  | (1,425)                              | 722                                  | 968  |

### 2. Cash dividends

|                                       | Annual dividends per share |                 |                 |                 |       | Total cash dividends (Total) | Dividend payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|---------------------------------------|----------------------------|-----------------|-----------------|-----------------|-------|------------------------------|--------------------------------------|---|
|                                       | 1st quarter-end            | 2nd quarter-end | 3rd quarter-end | Fiscal year-end | Total |                              |                                      |   |
|                                       | Yen                        | Yen             | Yen             | Yen             | Yen   | Millions of yen              | %                                    | %   |
| Year ended March 31, 2022             | –                          | 0.00            | –               | 0.00            | 0.00  | –                            | 0.0                                  | –   |
| Year ended March 31, 2023             | –                          | 0.00            | –               | 0.00            | 0.00  | –                            | 0.0                                  | –   |
| Year ending March 31, 2024 (Forecast) | –                          | 0.00            | –               | 20.00           | 20.00 |                              | 14.2                                 |   |

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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 | 4,140           | 6.9 | 555              | (4.4) | 565             | 5.8 | 385                                     | 1.1 | 140.76             |

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2023

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

|                      |                  |                      |                  |
|----------------------|------------------|----------------------|------------------|
| As of March 31, 2023 | 2,836,200 shares | As of March 31, 2022 | 2,436,200 shares |
|----------------------|------------------|----------------------|------------------|

Number of treasury shares at the end of the period

|                      |                |                      |                |
|----------------------|----------------|----------------------|----------------|
| As of March 31, 2023 | 101,116 shares | As of March 31, 2022 | 109,616 shares |
|----------------------|----------------|----------------------|----------------|

Average number of shares during the period

|                           |                  |                           |                  |
|---------------------------|------------------|---------------------------|------------------|
| Year ended March 31, 2023 | 2,434,971 shares | Year ended March 31, 2022 | 2,372,225 shares |
|---------------------------|------------------|---------------------------|------------------|

**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

|  | As of March 31, 2022 | As of March 31, 2023 |
|--|----------------------|----------------------|
| Assets   |                      |                      |
| Current assets                                   |                      |                      |
| Cash and deposits                                | 1,068,595            | 1,916,039            |
| Accounts receivable - trade, and contract assets | 228,993              | 263,369              |
| Merchandise                                      | 119,070              | 95,691               |
| Raw materials and supplies                       | 9,760                | 31,157               |
| Other  | 121,148              | 100,080              |
| Allowance for doubtful accounts                  | (7,790)              | (9,616)              |
| Total current assets                             | 1,539,777            | 2,396,722            |
| Non-current assets                               |                      |                      |
| Property, plant and equipment                    |                      |                      |
| Buildings and structures                         | 2,497,361            | 3,290,481            |
| Accumulated depreciation                         | (965,558)            | (1,073,008)          |
| Buildings and structures, net                    | 1,531,803            | 2,217,472            |
| Vehicles   | 19,910               | 20,659               |
| Accumulated depreciation                         | (13,582)             | (12,448)             |
| Vehicles, net                                    | 6,328                | 8,211                |
| Tools, furniture and fixtures                    | 2,178,818            | 2,497,027            |
| Accumulated depreciation                         | (1,541,140)          | (1,637,760)          |
| Tools, furniture and fixtures, net               | 637,677              | 859,266              |
| Land   | 2,248,337            | 2,248,337            |
| Construction in progress                         | 285,341              | —                    |
| Total property, plant and equipment              | 4,709,488            | 5,333,288            |
| Intangible assets                                |                      |                      |
| Goodwill   | 203,698              | 183,328              |
| Trademark right                                  | 435,464              | 391,917              |
| Other  | 26,279               | 32,990               |
| Total intangible assets                          | 665,442              | 608,236              |
| Investments and other assets                     |                      |                      |
| Deferred tax assets                              | 35,220               | 49,881               |
| Other  | 157,669              | 190,768              |
| Total investments and other assets               | 192,889              | 240,649              |
| Total non-current assets                         | 5,567,820            | 6,182,174            |
| Total assets                                     | 7,107,598            | 8,578,896            |

(Thousands of yen)

|   | As of March 31, 2022 | As of March 31, 2023 |
|---|----------------------|----------------------|
| Liabilities                             |                      |                      |
| Current liabilities                     |                      |                      |
| Accounts payable - trade                | 65,642               | 83,316               |
| Current portion of long-term borrowings | 546,376              | 582,517              |
| Income taxes payable                    | 88,562               | 149,073              |
| Provision for bonuses                   | 79,335               | 87,386               |
| Other                                   | 185,796              | 367,551              |
| Total current liabilities               | 965,713              | 1,269,845            |
| Non-current liabilities                 |                      |                      |
| Long-term borrowings                    | 3,375,581            | 3,393,164            |
| Retirement benefit liability            | 27,100               | 34,100               |
| Deferred tax liabilities                | 165,696              | 118,013              |
| Asset retirement obligations            | 40,501               | 40,944               |
| Other                                   | 23,081               | 16,790               |
| Total non-current liabilities           | 3,631,961            | 3,603,013            |
| Total liabilities                       | 4,597,674            | 4,872,858            |
| Net assets                              |                      |                      |
| Shareholders' equity                    |                      |                      |
| Share capital                           | 385,500              | 791,100              |
| Capital surplus                         | 315,717              | 711,137              |
| Retained earnings                       | 1,994,792            | 2,375,457            |
| Treasury shares                         | (186,086)            | (171,656)            |
| Total shareholders' equity              | 2,509,923            | 3,706,038            |
| Total net assets                        | 2,509,923            | 3,706,038            |
| Total liabilities and net assets        | 7,107,598            | 8,578,896            |

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

|  | (Thousands of yen)                  |                                     |
|--|-------------------------------------|-------------------------------------|
|  | Fiscal year ended<br>March 31, 2022 | Fiscal year ended<br>March 31, 2023 |
| Net sales  | 2,979,011                           | 3,872,994                           |
| Cost of sales                                    | 1,873,597                           | 2,430,053                           |
| Gross profit                                     | 1,105,413                           | 1,442,941                           |
| Selling, general and administrative expenses     | 666,177                             | 862,392                             |
| Operating profit                                 | 439,236                             | 580,548                             |
| Non-operating income                             |                                     |                                     |
| Rental income from buildings                     | 23,361                              | 23,361                              |
| Recoveries of written off receivables            | 30                                  | 4,344                               |
| Gain on sale of goods                            | –                                   | 5,518                               |
| Other  | 4,935                               | 6,585                               |
| Total non-operating income                       | 28,327                              | 39,809                              |
| Non-operating expenses                           |                                     |                                     |
| Interest expenses                                | 12,385                              | 17,592                              |
| Share issuance costs                             | –                                   | 39,650                              |
| Financing expenses                               | 11,831                              | 4,246                               |
| Loss on retirement of non-current assets         | 1,019                               | 22,049                              |
| Other  | 3,819                               | 2,733                               |
| Total non-operating expenses                     | 29,056                              | 86,272                              |
| Ordinary profit                                  | 438,507                             | 534,085                             |
| Extraordinary income                             |                                     |                                     |
| Gain on sale of non-current assets               | 394                                 | 128                                 |
| Gain on reversal of asset retirement obligations | 10,032                              | –                                   |
| Total extraordinary income                       | 10,427                              | 128                                 |
| Extraordinary losses                             |                                     |                                     |
| Loss on sale of non-current assets               | –                                   | 281                                 |
| Office Transfer related Expenses                 | 25,350                              | –                                   |
| Total extraordinary losses                       | 25,350                              | 281                                 |
| Profit before income taxes                       | 423,583                             | 533,932                             |
| Income taxes - current                           | 130,044                             | 215,611                             |
| Income taxes - deferred                          | 6,600                               | (62,343)                            |
| Total income taxes                               | 136,644                             | 153,268                             |
| Profit   | 286,939                             | 380,664                             |
| Profit attributable to owners of parent          | 286,939                             | 380,664                             |

**Consolidated statements of comprehensive income**

|   | (Thousands of yen)                  |                                     |
|---|-------------------------------------|-------------------------------------|
|   | Fiscal year ended<br>March 31, 2022 | Fiscal year ended<br>March 31, 2023 |
| Profit  | 286,939                             | 380,664                             |
| Comprehensive income                                  | 286,939                             | 380,664                             |
| Comprehensive income attributable to                  |                                     |                                     |
| Comprehensive income attributable to owners of parent | 286,939                             | 380,664                             |

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2022

(Thousands of yen)

|   | Shareholders' equity |                 |                   |                 |                            | Total net assets |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |                  |
| Balance at beginning of period          | 385,500              | 332,633         | 1,707,852         | (89,798)        | 2,336,188                  | 2,336,188        |
| Changes during period                   |                      |                 |                   |                 |                            |                  |
| Profit attributable to owners of parent |                      |                 | 286,939           |                 | 286,939                    | 286,939          |
| Purchase of treasury shares             |                      |                 |                   | (120,454)       | (120,454)                  | (120,454)        |
| Disposal of treasury shares             |                      | (16,916)        |                   | 24,166          | 7,250                      | 7,250            |
| Total changes during period             |                      | (16,916)        | 286,939           | (96,287)        | 173,735                    | 173,735          |
| Balance at end of period                | 385,500              | 315,717         | 1,994,792         | (186,086)       | 2,509,923                  | 2,509,923        |

Fiscal year ended March 31, 2023

(Thousands of yen)

|   | Shareholders' equity |                 |                   |                 |                            | Total net assets |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|------------------|
|   | Share capital        | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |                  |
| Balance at beginning of period          | 385,500              | 315,717         | 1,994,792         | (186,086)       | 2,509,923                  | 2,509,923        |
| Changes during period                   |                      |                 |                   |                 |                            |                  |
| Issuance of new shares                  | 405,600              | 405,600         |                   |                 | 811,200                    | 811,200          |
| Profit attributable to owners of parent |                      |                 | 380,664           |                 | 380,664                    | 380,664          |
| Disposal of treasury shares             |                      | (10,179)        |                   | 14,429          | 4,250                      | 4,250            |
| Total changes during period             | 405,600              | 395,420         | 380,664           | 14,429          | 1,196,114                  | 1,196,114        |
| Balance at end of period                | 791,100              | 711,137         | 2,375,457         | (171,656)       | 3,706,038                  | 3,706,038        |

## Consolidated statements of cash flows

(Thousands of yen)

|  | Fiscal year ended<br>March 31, 2022 | Fiscal year ended<br>March 31, 2023 |
|--|-------------------------------------|-------------------------------------|
| Cash flows from operating activities   |                                     |                                     |
| Profit before income taxes   | 423,583                             | 533,932                             |
| Depreciation   | 241,000                             | 391,472                             |
| Amortization of goodwill   | –                                   | 20,369                              |
| Increase (decrease) in allowance for doubtful accounts                           | (1,846)                             | 1,825                               |
| Increase (decrease) in provision for bonuses                                     | (4,588)                             | 8,051                               |
| Increase (decrease) in retirement benefit liability                              | 3,450                               | 7,000                               |
| Interest expenses  | 12,385                              | 17,592                              |
| Share issuance costs   | –                                   | 39,650                              |
| Financing expenses   | 11,831                              | 4,246                               |
| Gain on reversal of asset retirement obligations                                 | (10,032)                            | –                                   |
| Office Transfer related Expenses   | 25,350                              | –                                   |
| Gain on sale of non-current assets   | (394)                               | (128)                               |
| Loss (gain) on sale of non-current assets  | –                                   | 281                                 |
| Loss on retirement of non-current assets   | 1,019                               | 22,049                              |
| Decrease (increase) in trade receivables   | 2,528                               | (34,376)                            |
| Decrease (increase) in inventories   | 15,044                              | (40,862)                            |
| Increase (decrease) in trade payables  | (5,034)                             | 17,673                              |
| Decrease (increase) in consumption taxes refund receivable                       | (14,308)                            | (22,677)                            |
| Increase (decrease) in accrued consumption taxes                                 | (7,489)                             | (9,165)                             |
| Other, net   | 7,031                               | 26,087                              |
| Subtotal   | 699,531                             | 983,022                             |
| Interest and dividends received  | 12                                  | 21                                  |
| Interest paid  | (12,769)                            | (17,436)                            |
| Payments of Office Transfer related Expenses                                     | (22,181)                            | –                                   |
| Income taxes refund  | –                                   | 7,035                               |
| Income taxes paid  | (107,018)                           | (161,720)                           |
| Net cash provided by (used in) operating activities                              | 557,574                             | 810,922                             |
| Cash flows from investing activities   |                                     |                                     |
| Payments into time deposits  | (100,000)                           | (100,000)                           |
| Proceeds from withdrawal of time deposits  | 100,000                             | 100,000                             |
| Purchase of property, plant and equipment  | (601,710)                           | (728,305)                           |
| Proceeds from sale of property, plant and equipment                              | 394                                 | 218                                 |
| Purchase of intangible assets  | (227)                               | (13,633)                            |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation | (784,827)                           | –                                   |
| Payments for asset retirement obligations  | (6,790)                             | –                                   |
| Payments of leasehold deposits   | (15,410)                            | (8)                                 |
| Purchase of insurance funds  | (19,054)                            | (31,469)                            |
| Other, net   | 1,884                               | (10,867)                            |
| Net cash provided by (used in) investing activities                              | (1,425,741)                         | (784,065)                           |



|   | (Thousands of yen)                  |                                     |
|---|-------------------------------------|-------------------------------------|
|   | Fiscal year ended<br>March 31, 2022 | Fiscal year ended<br>March 31, 2023 |
| Cash flows from financing activities                        |                                     |                                     |
| Proceeds from long-term borrowings                          | 1,376,100                           | 625,300                             |
| Repayments of long-term borrowings                          | (528,483)                           | (571,576)                           |
| Proceeds from issuance of shares                            | –                                   | 771,549                             |
| Repayments of lease liabilities                             | (2,119)                             | (6,159)                             |
| Purchase of treasury shares                                 | (120,454)                           | –                                   |
| Proceeds from disposal of treasury shares                   | 7,250                               | 4,250                               |
| Other, net  | (10,201)                            | (2,777)                             |
| Net cash provided by (used in) financing activities         | 722,091                             | 820,586                             |
| Effect of exchange rate change on cash and cash equivalents | –                                   | –                                   |
| Net increase (decrease) in cash and cash equivalents        | (146,076)                           | 847,443                             |
| Cash and cash equivalents at beginning of period            | 1,114,671                           | 968,595                             |
| Cash and cash equivalents at end of period                  | 968,595                             | 1,816,039                           |