

Translation

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**Summary of Consolidated Financial Results
for the Three Months Ended June 30, 2023
(Based on Japanese GAAP)**

August 3, 2023

Company name: Japan Animal Referral Medical Center (JARMeC)
 Stock exchange listing: Tokyo
 Stock code: 6039 URL <http://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 to file Quarterly Securities Report: August 10, 2023
 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 June 30, 2023 (from April 1, 2023 to June 30, 2023)

(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 June 30, 2023	951	1.8	37	(71.9)	33	(74.6)	18	(79.4)
Three months ended June 30, 2022	934	29.9	134	51.0	131	44.1	87	39.4

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2023	6.58	6.48
Three months ended June 30, 2022	37.53	36.71

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	8,446	3,726	44.1
As of March 31, 2023	8,578	3,706	43.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2023	–	0.00	–	0.00	0.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	0.00	–	20.00	20.00

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	140.53

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
(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: Yes
- 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 June 30, 2023	2,836,200 shares	As of March 31, 2023	2,836,200 shares
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Number of treasury shares at the end of the period

As of June 30, 2023	95,616 shares	As of March 31, 2023	101,116 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2023	2,736,630 shares	Three months ended June 30, 2022	2,326,584 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	1,916,039	1,736,307
Accounts receivable - trade, and contract assets	263,369	249,757
Merchandise	95,691	88,997
Raw materials and supplies	31,157	20,712
Other	100,080	54,207
Allowance for doubtful accounts	(9,616)	(10,053)
Total current assets	<u>2,396,722</u>	<u>2,139,929</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,217,472	2,218,332
Tools, furniture and fixtures, net	859,266	996,493
Land	2,248,337	2,248,337
Other, net	8,211	7,656
Total property, plant and equipment	<u>5,333,288</u>	<u>5,470,820</u>
Intangible assets		
Goodwill	183,328	178,236
Trademark right	391,917	381,031
Other	32,990	31,749
Total intangible assets	<u>608,236</u>	<u>591,017</u>
Investments and other assets	<u>240,649</u>	<u>244,972</u>
Total non-current assets	<u>6,182,174</u>	<u>6,306,809</u>
Total assets	<u>8,578,896</u>	<u>8,446,739</u>
Liabilities		
Current liabilities		
Accounts payable - trade	83,316	87,488
Current portion of long-term borrowings	582,517	615,853
Income taxes payable	149,073	29,862
Provision for bonuses	87,386	50,815
Other	367,551	257,919
Total current liabilities	<u>1,269,845</u>	<u>1,041,939</u>
Non-current liabilities		
Long-term borrowings	3,393,164	3,478,619
Retirement benefit liability	34,100	33,400
Deferred tax liabilities	118,013	109,730
Asset retirement obligations	40,944	41,056
Other	16,790	15,197
Total non-current liabilities	<u>3,603,013</u>	<u>3,678,003</u>
Total liabilities	<u>4,872,858</u>	<u>4,719,942</u>
Net assets		
Shareholders' equity		
Share capital	791,100	791,100
Capital surplus	711,137	704,550
Retained earnings	2,375,457	2,393,465
Treasury shares	(171,656)	(162,320)
Total shareholders' equity	<u>3,706,038</u>	<u>3,726,796</u>
Total net assets	<u>3,706,038</u>	<u>3,726,796</u>
Total liabilities and net assets	<u>8,578,896</u>	<u>8,446,739</u>

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

Consolidated statements of income (cumulative)

	(Thousands of yen)	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Net sales	934,812	951,772
Cost of sales	587,216	675,566
Gross profit	347,596	276,205
Selling, general and administrative expenses	213,460	238,495
Operating profit	134,136	37,710
Non-operating income		
Rental income from buildings	5,840	5,840
Surrender value of insurance policies	0	2,274
Other	947	2,243
Total non-operating income	6,788	10,358
Non-operating expenses		
Interest expenses	4,521	4,586
Financing expenses	880	1,105
Loss on retirement of non-current assets	4,188	9,057
Other	62	-
Total non-operating expenses	9,652	14,749
Ordinary profit	131,272	33,318
Extraordinary income		
Gain on sale of non-current assets	-	799
Total extraordinary income	-	799
Profit before income taxes	131,272	34,117
Income taxes	43,951	16,100
Profit	87,321	18,017
Profit attributable to owners of parent	87,321	18,017

Consolidated statements of comprehensive income (cumulative)

	(Thousands of yen)	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	87,321	18,017
Comprehensive income	87,321	18,017
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	87,321	18,017