Consolidated Financial Results for the Nine Months Ended September 30, 2023 [Japanese GAAP]



November 13, 2023

Company name: CareNet, Inc. Stock exchange listing: Tokyo Stock Exchange

Securities code: 2150 URL: https://www.carenet.co.jp

Representative: Katsuhiro Fujii, President

Contact: Kanji Fujii, Director and CFO Phone: +81-3-5214-5800

Scheduled date for filing quarterly securities report: Scheduled date for commencing dividend payments: —

November 14, 2023

Preparation of supplementary quarterly financial results briefing materials: No

Holding of quarterly financial results briefing: No

Million yen

7,271

(Amounts of less than one million yen are truncated.)

1. Consolidated financial results for the nine months ended September 30, 2023 (January 1, 2023 to September 30, 2023)

(1) Consolidated operating results

Nine months ended

September 30, 2023

(% indicates year-over-year change) Profit attributable to Net sales Operating profit Ordinary profit owners of parent Million yen Million yen Million yen % 1,736 1,772 1,106 12.8 (24.1)(23.2)(28.0)

Nine months ended September 30, 2022 6,445 — 2,288 — 2,308 — 1,537 (Note) Comprehensive income: Nine months ended September 30, 2023: Nine months ended September 30, 2023: 1,113 million yen [(28.0)%] Nine months ended September 30, 2022: 1,546 million yen [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2023	24.82	_
Nine months ended September 30, 2022	34.72	_

- (Notes) 1. 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 nine months ended September 30, 2022 represent the figures after the application of these accounting standards. Accordingly, year-over-year percentage changes are not stated.
 - 2. Diluted earnings per share is not stated as there are no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of September 30, 2023	12,811	10,861	84.5	243.06
As of December 31, 2022	13,071	10,020	76.4	224.11

(Reference) Equity: As of September 30, 2023: 10,830 million yen As of December 31, 2022: 9,987 million yen

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, 2022		0.00	_	6.00	6.00
Fiscal year ending December 31, 2023	_	0.00	_		
Fiscal year ending December 31, 2023 (forecast)				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, 2023 (January 1, 2023 to December 31, 2023)

(% indicates year-over-year change)

	Net s	sales	Operatir	ng profit	Ordinar	y profit	Profit attr to owners		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	11,000	17.9	3,000	5.2	3,000	3.7	2,000	8.3	44.88

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

* 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. Consolidated financial statements and principal notes (3) Notes to 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 September 30, 2023	2,312,002 shares	As of December 31, 2022	2,307,702 shares
Nine months ended September 30, 2023	44,563,810 shares	Nine months ended September 30, 2022	44,274,425 shares

(Note) 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.

- * 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

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.

2. Quarterly consolidated financial statements and major notes (1) Quarterly consolidated balance sheets

		(Thousand yen)
	Previous fiscal year (As of December 31, 2022)	Nine months under review (As of September 30, 2023)
Assets		
Current assets		
Cash and deposits	7,845,831	8,684,726
Notes and accounts receivable - trade, and contract assets	2,442,641	1,611,490
Electronically recorded monetary claims - operating	196,647	150,568
Inventories	27,053	37,592
Prepaid expenses	237,163	208,848
Other	91,737	88,966
Total current assets	10,841,074	10,782,193
Non-current assets		
Property, plant and equipment	215,608	218,168
Intangible assets		
Goodwill	1,006,104	878,991
Other	52,282	42,143
Total intangible assets	1,058,386	921,134
Investments and other assets	956,326	889,597
Total non-current assets	2,230,322	2,028,900
Total assets	13,071,397	12,811,093

Liabilities Reviews fiscal year (As of Decembra 3, 2022) Name of Decembra 3, 2022) Current liabilities 157,634 9,477 Current portion of long-term borrowings 23,431 30,477 Income taxes payable 569,422 112,441 Advances received 55,830 33,250 Provision for bonuses for directors (and other officers) 15,871 Provision for bonuses for directors (and other officers) 90,711 937,952 Asset retirement obligations 1,642 Other 98,1354 9,711,402 Total current liabilities 2,822,329 1,711,402 Non-current liabilities 2,822,329 1,711,402 Retirement borrowings 10,751 9,301 Retirement benefit liability 7,943 1,447 Asset retirement obligations 50,128 48,521 Provision for share awards for employees 11,020 9,367 Provision for share awards for employees 11,020 9,367 Provision for share awards for employees 11,020 9,367 Provision for share a			(Thousand yen
Current liabilities			
Accounts payable – trade 157,634 94,770 Current portion of long-term borrowings 23,431 30,470 Income taxes payable 569,423 112,441 Advances received 35,830 33,250 Provision for bonuses 8,072 12,851 Provision for bonuses for directors (and other officers) 135,871 — Provision for point card certificates 910,711 93,752 Asset retirement obligations — 1,642 Other 981,354 488,022 Total current liabilities 2,822,329 1,711,402 Non-current liabilities 3,001 93,001 Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for employees 11,020 9,367 Provision for retirement benefits for directors (and other officers) 2,290 8,625 Other 9,705 9,902 Total labilities 3,051,353 <t< td=""><td>Liabilities</td><td></td><td></td></t<>	Liabilities		
Current portion of long-term borrowings 23,431 30,470 Income taxes payable 569,423 112,441 Advances received 35,830 33,285 Provision for bonuses 8,072 12,881 Provision for bonuses for directors (and other officers) 135,871 — Provision for point card certificates 910,711 937,952 Asset retirement obligations — 1,642 Other 981,354 488,022 Total current liabilities 2,822,329 1,711,402 Non-current liabilities 107,051 93,001 Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 officers) 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 22,9023 238,068 Total jabilities 3,051,353 1,949,470 <	Current liabilities		
Income taxes payable 569,423 112,441 Advances received 35,830 33,250 Provision for bonuses 8,072 12,851 Provision for bonuses for directors (and other officers) 135,871 — Provision for point card certificates 910,711 937,952 Asset retirement obligations — 1,642 Other 981,354 488,022 Total current liabilities 2,822,329 1,711,402 Non-current liabilities 2,822,329 1,711,402 Retirement benefit liability 7,943 14,471 Asset retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for directors (and other officers) 11,020 9,367 Provision for retirement benefits for directors (and other officers) 3,025 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total pon-current liabilities<	Accounts payable – trade	157,634	94,770
Advances received 35,830 33,250 Provision for bonuses 8,072 12,851 Provision for bonuses for directors (and other officers) 135,871 — Provision for point card certificates 910,711 937,952 Asser retirement obligations — 1,642 Other 981,354 488,022 Total current liabilities 2,822,329 1,711,402 Non-current liabilities 107,051 93,001 Retirement borrowings 107,051 93,001 Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for directors (and other officers) 5,250 8,625 Other 9,705 9,002 Total non-current liabilities 229,023 238,068 Total liabilities 2,405,636 2,405,636 Share capital 2,405,636 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,	Current portion of long-term borrowings	23,431	30,470
Provision for bonuses 8,072 12,851 Provision for bonuses for directors (and other officers) 135,871 — Provision for point card certificates 910,711 937,952 Asset retirement obligations — 1,642 Other 981,354 488,022 Total current liabilities 2,822,329 1,711,402 Non-current liabilities 107,051 93,001 Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for directors (and other officers) 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total habilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 <t< td=""><td>Income taxes payable</td><td>569,423</td><td>112,441</td></t<>	Income taxes payable	569,423	112,441
Provision for bonuses for directors (and other officers) 135,871 — Provision for point card certificates 910,711 937,952 Asset retirement obligations — 1,642 Other 981,354 488,022 Total current liabilities 2,822,329 1,711,402 Non-current liabilities 30,001 93,001 Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for employees 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total sharehol	Advances received	35,830	33,250
Provision for point card certificates 910,711 937,952 Asset retirement obligations - 1,642 Other 981,354 488,022 Total current liabilities 2,822,329 1,711,402 Non-current liabilities - 1,711,402 Long-term borrowings 107,051 93,001 Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for employees 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753	Provision for bonuses	8,072	12,851
Asset retirement obligations – 1,642 Other 981,354 488,022 Total current liabilities 2,822,329 1,711,402 Non-current liabilities 8 107,051 93,001 Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for employees 111,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 23,806 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total sharcholders' equity 10,023,053 10,860,727 Accumulated other comprehensive	Provision for bonuses for directors (and other officers)	135,871	_
Other 981,354 488,022 Total current liabilities 2,822,329 1,711,402 Non-current liabilities 107,051 93,001 Long-term borrowings 107,051 93,001 Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for employees 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income	Provision for point card certificates	910,711	937,952
Total current liabilities 2,822,329 1,711,402 Non-current liabilities 107,051 93,001 Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for employees 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income Valuation difference on available-for-sale securities (35,904) (29,891) Share acquisition rights 0 0	Asset retirement obligations	_	1,642
Non-current liabilities 107,051 93,001 Retirement borrowings 107,051 93,001 Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for employees 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition	Other	981,354	488,022
Long-term borrowings 107,051 93,001 Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for employees 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043	Total current liabilities	2,822,329	1,711,402
Retirement benefit liability 7,943 14,471 Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for employees 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Valuation difference on available-for-sale securities (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets	Non-current liabilities		
Asset retirement obligations 50,128 48,521 Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for employees 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Long-term borrowings	107,051	93,001
Provision for share awards for directors (and other officers) 37,926 54,180 Provision for share awards for employees 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Retirement benefit liability	7,943	14,471
officers) 37,926 34,180 Provision for share awards for employees 11,020 9,367 Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Valuation difference on available-for-sale securities (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Asset retirement obligations	50,128	48,521
Provision for retirement benefits for directors (and other officers) 5,250 8,625 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Shareholders' equity Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622		37,926	54,180
other officers) 5,290 8,623 Other 9,705 9,902 Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Valuation difference on available-for-sale securities (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622		11,020	9,367
Total non-current liabilities 229,023 238,068 Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income Valuation difference on available-for-sale securities (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622		5,250	8,625
Total liabilities 3,051,353 1,949,470 Net assets Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income Valuation difference on available-for-sale securities (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Other	9,705	9,902
Net assets Share holders' equity Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Total non-current liabilities	229,023	238,068
Shareholders' equity 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Total liabilities	3,051,353	1,949,470
Share capital 2,405,636 2,405,636 Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Net assets		
Capital surplus 3,072,443 3,073,619 Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Shareholders' equity		
Retained earnings 5,245,727 6,082,226 Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Share capital	2,405,636	2,405,636
Treasury shares (700,753) (700,753) Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Capital surplus	3,072,443	3,073,619
Total shareholders' equity 10,023,053 10,860,727 Accumulated other comprehensive income (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Retained earnings	5,245,727	6,082,226
Accumulated other comprehensive income Valuation difference on available-for-sale securities (35,904) (29,891) Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Treasury shares	(700,753)	(700,753)
Valuation difference on available-for-sale securities(35,904)(29,891)Total accumulated other comprehensive income(35,904)(29,891)Share acquisition rights00Non-controlling interests32,89439,785Total net assets10,020,04310,861,622	Total shareholders' equity	10,023,053	10,860,727
Total accumulated other comprehensive income (35,904) (29,891) Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Accumulated other comprehensive income		
Share acquisition rights 0 0 Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Valuation difference on available-for-sale securities	(35,904)	(29,891)
Non-controlling interests 32,894 39,785 Total net assets 10,020,043 10,861,622	Total accumulated other comprehensive income	(35,904)	(29,891)
Total net assets 10,020,043 10,861,622	Share acquisition rights	0	0
	Non-controlling interests	32,894	39,785
Total liabilities and net assets 13,071,397 12,811,093	Total net assets	10,020,043	10,861,622
	Total liabilities and net assets	13,071,397	12,811,093

(2) Quarterly consolidated statements of income and comprehensive income

(Quarterly consolidated statements of income)

(For the nine months ended September 30)

` '		(Thousand yen)
	Previous nine month period (January 1, 2022 to September 30, 2022)	Nine months under review (January 1, 2023 to September 30, 2023)
Net sales	6,445,420	7,271,166
Cost of sales	1,991,049	2,714,025
Gross profit	4,454,370	4,557,141
Selling, general and administrative expenses	2,165,972	2,820,919
Operating profit	2,288,398	1,736,221
Non-operating income		
Interest income	565	2,325
Dividend income	8,178	5,969
Share of profit of entities accounted for using equity method	-	16,464
Dividend income of insurance	-	2,255
Foreign exchange gains	25,880	11,636
Miscellaneous income	1,006	4,152
Total non-operating income	35,631	42,804
Non-operating expenses		
Interest expenses	508	527
Share issuance costs	2,845	0
Loss on investments in investment partnerships	2,415	49
Loss on retirement of non-current assets	9,571	97
Loss on elimination of share-based compensation expenses	-	4,396
Miscellaneous loss		1,024
Total non-operating expenses	15,340	6,095
Ordinary profit	2,308,688	1,772,930
Extraordinary income		
Gain on sale of shares of subsidiaries	_	12,876
Total extraordinary income	_	12,876
Extraordinary losses		
Loss on valuation of investment securities	_	35,000
Total extraordinary losses	_	35,000
Profit before income taxes	2,308,688	1,750,806
Income taxes – current	752,015	616,438
Income taxes – deferred	13,072	27,112
Total income taxes	765,088	643,550
Profit	1,543,600	1,107,255
Profit attributable to non-controlling interests	6,334	1,067
Profit attributable to owners of parent	1,537,266	1,106,188

(Quarterly consolidated statements of comprehensive income) (For the nine months ended September 30)

(1 of the fine months chaca septement 50)		
•		(Thousand yen)
	Previous nine month period (January 1, 2022 to September 30, 2022)	Nine months under review (January 1, 2023 to September 30, 2023)
Profit	1,543,600	1,107,255
Other comprehensive income		
Valuation difference on available-for-sale securities	2,996	6,012
Total other comprehensive income	2,996	6,012
Comprehensive income	1,546,597	1,113,268
Comprehensive income attributable to:		
Owners of parent	1,540,263	1,112,201
Non-controlling interests	6,334	1,067