

**Translation**

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2023 (Based on Japanese GAAP)

November 9, 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: November 14, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

## 1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 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	%
Six months ended September 30, 2023	1,982	3.5	159	(45.5)	152	(48.5)	97	(50.6)
Six months ended September 30, 2022	1,915	33.3	293	60.8	295	58.5	197	55.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	35.61		35.07	
Six months ended September 30, 2022	85.02		83.18	

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	8,664	3,848	44.4
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				
Year ended March 31, 2023	–	0.00	–	0.00	0.00
Year ending March 31, 2024	–	0.00			
Year ending March 31, 2024 (Forecast)			–	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	139.79

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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 September 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 September 30, 2023	72,116 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)

Six months ended September 30, 2023	2,744,380 shares	Six months ended September 30, 2022	2,327,378 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	1,916,039	1,689,963
Accounts receivable - trade, and contract assets	263,369	259,724
Merchandise	95,691	88,491
Raw materials and supplies	31,157	15,178
Other	100,080	61,280
Allowance for doubtful accounts	(9,616)	(10,022)
<b>Total current assets</b>	<b>2,396,722</b>	<b>2,104,614</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	2,217,472	2,183,022
Tools, furniture and fixtures, net	859,266	1,265,872
Land	2,248,337	2,248,337
Other, net	8,211	9,253
<b>Total property, plant and equipment</b>	<b>5,333,288</b>	<b>5,706,485</b>
<b>Intangible assets</b>		
Goodwill	183,328	173,143
Trademark right	391,917	370,144
Other	32,990	32,288
<b>Total intangible assets</b>	<b>608,236</b>	<b>575,577</b>
Investments and other assets	240,649	278,243
<b>Total non-current assets</b>	<b>6,182,174</b>	<b>6,560,306</b>
<b>Total assets</b>	<b>8,578,896</b>	<b>8,664,921</b>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable - trade	83,316	48,511
Current portion of long-term borrowings	582,517	634,843
Income taxes payable	149,073	81,954
Provision for bonuses	87,386	104,741
Other	367,551	212,944
<b>Total current liabilities</b>	<b>1,269,845</b>	<b>1,082,994</b>
<b>Non-current liabilities</b>		
Long-term borrowings	3,393,164	3,540,693
Retirement benefit liability	34,100	34,550
Deferred tax liabilities	118,013	103,555
Asset retirement obligations	40,944	41,169
Other	16,790	13,595
<b>Total non-current liabilities</b>	<b>3,603,013</b>	<b>3,733,563</b>
<b>Total liabilities</b>	<b>4,872,858</b>	<b>4,816,558</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	791,100	791,100
Capital surplus	711,137	706,490
Retained earnings	2,375,457	2,473,197
Treasury shares	(171,656)	(122,425)
<b>Total shareholders' equity</b>	<b>3,706,038</b>	<b>3,848,362</b>
<b>Total net assets</b>	<b>3,706,038</b>	<b>3,848,362</b>
<b>Total liabilities and net assets</b>	<b>8,578,896</b>	<b>8,664,921</b>

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

**Consolidated statements of income (cumulative)**

	(Thousands of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	1,915,255	1,982,185
Cost of sales	1,199,778	1,359,036
Gross profit	715,476	623,149
Selling, general and administrative expenses	422,291	463,318
Operating profit	293,185	159,831
Non-operating income		
Rental income from buildings	11,680	11,680
Surrender value of insurance policies	337	2,641
Gain on sale of goods	5,203	-
Other	5,005	3,827
Total non-operating income	22,227	18,149
Non-operating expenses		
Interest expenses	8,968	9,320
Financing expenses	2,362	1,843
Loss on retirement of non-current assets	8,203	14,435
Other	116	181
Total non-operating expenses	19,650	25,781
Ordinary profit	295,762	152,198
Extraordinary income		
Gain on sale of non-current assets	-	1,349
Total extraordinary income	-	1,349
Profit before income taxes	295,762	153,548
Income taxes	97,881	55,798
Profit	197,880	97,749
Profit attributable to owners of parent	197,880	97,749

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

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	197,880	97,749
Comprehensive income	197,880	97,749
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	197,880	97,749

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	295,762	153,548
Depreciation	193,666	204,135
Amortization of goodwill	10,184	10,184
Increase (decrease) in allowance for doubtful accounts	(1,310)	406
Increase (decrease) in provision for bonuses	(7,018)	17,354
Increase (decrease) in retirement benefit liability	3,750	450
Interest expenses	8,968	9,320
Financing Cost	2,362	1,843
Gain on sale of non-current assets	–	(1,349)
Loss on retirement of non-current assets	8,203	14,435
Surrender value of insurance policies	(337)	(2,641)
Decrease (increase) in trade receivables	(17,905)	3,645
Decrease (increase) in inventories	6,971	16,136
Increase (decrease) in trade payables	(4,542)	(12,648)
Decrease (increase) in consumption taxes refund receivable	14,308	61,432
Increase (decrease) in accrued consumption taxes	11,634	84
Other, net	(2,528)	31,376
Subtotal	522,171	507,715
Interest received	5	19
Interest paid	(8,927)	(9,489)
Income taxes refund	7,035	–
Income taxes paid	(79,730)	(133,623)
Net cash provided by (used in) operating activities	440,554	364,622
Cash flows from investing activities		
Purchase of property, plant and equipment	(143,097)	(774,488)
Proceeds from sale of property, plant and equipment	–	1,449
Purchase of intangible assets	(1,639)	(6,104)
Payments of leasehold deposits	–	(262)
Proceeds from refund of leasehold deposits	–	141
Purchase of insurance funds	(15,796)	(16,177)
Other, net	871	6,273
Net cash provided by (used in) investing activities	(159,662)	(789,167)
Cash flows from financing activities		
Proceeds from long-term borrowings	100,000	489,900
Repayments of long-term borrowings	(292,952)	(290,045)
Repayments of lease liabilities	(3,063)	(2,676)
Proceeds from disposal of treasury shares	1,000	3,000
Other, net	(2,124)	(1,709)
Net cash provided by (used in) financing activities	(197,141)	198,468
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	83,750	(226,076)
Cash and cash equivalents at beginning of period	968,595	1,816,039
Cash and cash equivalents at end of period	1,052,346	1,589,963