

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2023 (Based on Japanese GAAP)

February 8, 2024

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: February 13, 2024
 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 nine months ended December 31, 2023 (from April 1, 2023 to December 31, 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	%
Nine months ended December 31, 2023	3,115	6.9	345	(24.4)	335	(20.5)	220	(21.2)
Nine months ended December 31, 2022	2,915	30.7	456	38.1	421	27.4	279	25.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2023	80.21		79.03	
Nine months ended December 31, 2022	119.75		117.20	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Millions of yen		Millions of yen		%	
As of December 31, 2023	8,506		3,886		45.7	
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	140.43

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 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 December 31, 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 December 31, 2023	120,116 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)

Nine months ended December 31, 2023	2,750,103 shares	Nine months ended December 31, 2022	2,336,967 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	1,916,039	1,472,026
Accounts receivable - trade, and contract assets	263,369	276,520
Merchandise	95,691	80,415
Raw materials and supplies	31,157	22,283
Other	100,080	54,316
Allowance for doubtful accounts	(9,616)	(10,559)
Total current assets	<u>2,396,722</u>	<u>1,895,002</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,217,472	2,148,381
Tools, furniture and fixtures, net	859,266	1,279,061
Land	2,248,337	2,248,337
Other, net	8,211	82,677
Total property, plant and equipment	<u>5,333,288</u>	<u>5,758,459</u>
Intangible assets		
Goodwill	183,328	168,051
Trademark right	391,917	359,257
Other	32,990	37,307
Total intangible assets	<u>608,236</u>	<u>564,616</u>
Investments and other assets	<u>240,649</u>	<u>288,621</u>
Total non-current assets	<u>6,182,174</u>	<u>6,611,696</u>
Total assets	<u>8,578,896</u>	<u>8,506,699</u>
Liabilities		
Current liabilities		
Accounts payable - trade	83,316	70,790
Current portion of long-term borrowings	582,517	631,503
Income taxes payable	149,073	35,164
Provision for bonuses	87,386	54,789
Other	367,551	258,096
Total current liabilities	<u>1,269,845</u>	<u>1,050,343</u>
Non-current liabilities		
Long-term borrowings	3,393,164	3,382,967
Retirement benefit liability	34,100	35,700
Deferred tax liabilities	118,013	98,096
Asset retirement obligations	40,944	41,281
Other	16,790	11,985
Total non-current liabilities	<u>3,603,013</u>	<u>3,570,031</u>
Total liabilities	<u>4,872,858</u>	<u>4,620,374</u>
Net assets		
Shareholders' equity		
Share capital	791,100	791,100
Capital surplus	711,137	704,086
Retained earnings	2,375,457	2,596,059
Treasury shares	(171,656)	(204,922)
Total shareholders' equity	<u>3,706,038</u>	<u>3,886,324</u>
Total net assets	<u>3,706,038</u>	<u>3,886,324</u>
Total liabilities and net assets	<u>8,578,896</u>	<u>8,506,699</u>

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	2,915,250	3,115,417
Cost of sales	1,817,754	2,063,395
Gross profit	1,097,495	1,052,022
Selling, general and administrative expenses	640,631	706,437
Operating profit	456,863	345,585
Non-operating income		
Rental income from buildings	17,520	17,648
Surrender value of insurance policies	863	2,641
Gain on sale of goods	5,518	-
Other	7,621	7,435
Total non-operating income	31,524	27,725
Non-operating expenses		
Interest expenses	13,362	14,113
Financing expenses	3,374	2,530
Loss on retirement of non-current assets	11,607	19,386
Share issuance costs	35,948	-
Other	2,616	2,119
Total non-operating expenses	66,909	38,149
Ordinary profit	421,478	335,161
Extraordinary income		
Gain on sale of non-current assets	28	1,524
Total extraordinary income	28	1,524
Profit before income taxes	421,506	336,685
Income taxes	141,653	116,073
Profit	279,853	220,611
Profit attributable to owners of parent	279,853	220,611

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	279,853	220,611
Comprehensive income	279,853	220,611
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	279,853	220,611