

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 6, 2020

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
 Inquiries: TEL 044-850-1320
 Scheduled date to file Quarterly Securities Report: August 13, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 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, 2020 (from April 1, 2020 to June 30, 2020)

(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, 2020	699	4.4	102	(8.6)	100	(11.4)	69	(14.2)
Three months ended June 30, 2019	669	10.2	112	42.9	113	43.0	80	24.6

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	29.45	28.49
Three months ended June 30, 2019	33.33	32.08

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2020	5,700	2,056	36.1
As of March 31, 2020	5,928	2,133	36.0

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, 2020	–	0.00	–	0.00	0.00
Year ending March 31, 2021	–				
Year ending March 31, 2021 (Forecast)		0.00	–	0.00	0.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	2,800	2.4	435	1.0	445	(1.3)	315	0.7	133.49

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
(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: No
- 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, 2020	2,435,700 shares	As of March 31, 2020	2,433,700 shares
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Number of treasury shares at the end of the period

As of June 30, 2020	100,048 shares	As of March 31, 2020	8,648 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, 2020	2,352,671 shares	Three months ended June 30, 2019	2,423,623 shares
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Quarterly consolidated financial statements

Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	1,249,278	1,034,305
Accounts receivable - trade	144,052	157,552
Merchandise	47,685	58,639
Supplies	5,605	5,605
Other	29,087	25,655
Allowance for doubtful accounts	(11,201)	(10,777)
Total current assets	1,464,508	1,270,980
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,566,296	1,552,455
Land	2,228,267	2,228,267
Other, net	488,233	468,876
Total property, plant and equipment	4,282,798	4,249,599
Intangible assets	20,936	19,195
Investments and other assets	160,500	160,862
Total non-current assets	4,464,235	4,429,657
Total assets	5,928,743	5,700,638
Liabilities		
Current liabilities		
Accounts payable - trade	49,994	42,633
Current portion of long-term borrowings	511,499	506,049
Income taxes payable	101,073	36,354
Provision for bonuses	55,310	32,014
Other	122,979	195,176
Total current liabilities	840,856	812,227
Non-current liabilities		
Long-term borrowings	2,892,678	2,768,204
Retirement benefit liability	20,450	19,500
Asset retirement obligations	40,860	40,965
Other	—	3,317
Total non-current liabilities	2,953,989	2,831,986
Total liabilities	3,794,846	3,644,214
Net assets		
Shareholders' equity		
Share capital	384,875	385,375
Capital surplus	340,193	340,693
Retained earnings	1,422,661	1,491,959
Treasury shares	(13,833)	(161,603)
Total shareholders' equity	2,133,897	2,056,424
Total net assets	2,133,897	2,056,424
Total liabilities and net assets	5,928,743	5,700,638

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, 2019	Three months ended June 30, 2020
Net sales	669,327	699,020
Cost of sales	417,952	448,954
Gross profit	251,374	250,065
Selling, general and administrative expenses	139,244	147,572
Operating profit	112,129	102,492
Non-operating income		
Rental income from buildings	6,156	6,093
Other	806	1,126
Total non-operating income	6,963	7,220
Non-operating expenses		
Interest expenses	3,958	3,487
Financing expenses	1,295	984
Loss on retirement of non-current assets	72	3,805
Other	6	640
Total non-operating expenses	5,331	8,917
Ordinary profit	113,761	100,796
Profit before income taxes	113,761	100,796
Income taxes	32,966	31,498
Profit	80,795	69,297
Profit attributable to owners of parent	80,795	69,297

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	80,795	69,297
Comprehensive income	80,795	69,297
Comprehensive income attributable to Comprehensive income attributable to owners of parent	80,795	69,297