



Consolidated Financial Results for the Three Months Ended March 31, 2021 [Japanese GAAP]

May 13, 2021

Company name: CareNet, Inc.

Securities code: 2150

Representative: Katsuhiro Fujii, President

Contact: Kanji Fujii, Director and CFO

Scheduled date for filing quarterly securities report:

May 13, 2021

Stock exchange listing: Tokyo Stock Exchange

URL: <https://www.carennet.co.jp/>

Phone: +81-3-5214-5800

Scheduled date for commencing dividend payments: —

Preparation of supplementary quarterly financial results briefing materials: No

Holding of quarterly financial results briefing: No

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

1. Consolidated financial results for the three months ended March 31, 2021 (January 1, 2021 to March 31, 2021)

(1) Consolidated operating results (cumulative)

(% indicates year-over-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended March 31, 2021	2,058	150.6	849	347.2	860	358.6	587	—
Three months ended March 31, 2020	821	20.1	189	52.8	187	55.2	4	(93.2)

(Note) Comprehensive income: Three months ended March 31, 2021: 607 million yen [—%]

Three months ended March 31, 2020: 39 million yen [—%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2021	56.57	—
Three months ended March 31, 2020	0.46	—

(Note) 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 March 31, 2021	5,191	3,605	69.3	346.72
As of December 31, 2020	5,319	3,085	57.8	296.08

(Reference) Equity: As of March 31, 2021: 3,599 million yen

As of December 31, 2020: 3,073 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, 2020	—	0.00	—	8.00	8.00
Fiscal year ending December 31, 2021	—				
Fiscal year ending December 31, 2021 (forecast)		0.00	—	8.00	8.00

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

3. Consolidated financial results forecast for the fiscal year ending December 31, 2021 (January 1, 2021 to December 31, 2021)
(% indicates year-over-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half (cumulative)	3,800	106.0	1,100	138.2	1,100	139.2	673	274.0	64.82
Full year	7,664	44.5	2,211	46.4	2,222	47.5	1,400	71.7	134.85

(Note) Revision to the most recently announced financial results forecast: Yes

* 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: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatements: None

(4) Number of shares of common stock issued

1) Number of shares issued at the end of the period (including treasury stock)	As of March 31, 2021	11,048,000 shares	As of December 31, 2020	11,048,000 shares
2) Number of shares of treasury stock at the end of the period	As of March 31, 2021	666,292 shares	As of December 31, 2020	666,292 shares
3) Average number of shares of common stock during the period (cumulative)	Three months ended March 31, 2021	10,381,708 shares	Three months ended March 31, 2020	10,381,753 shares

* 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

1. 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.

Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheets

(Thousand yen)

	Previous fiscal year (As of December 31, 2020)	Three months under review (As of March 31, 2021)
Assets		
Current assets		
Cash and deposits	2,406,402	2,289,836
Notes and accounts receivable – trade	1,758,667	1,676,645
Inventories	30,217	50,320
Prepaid expenses	45,179	56,726
Other	85,317	25,903
Total current assets	4,325,784	4,099,431
Non-current assets		
Property, plant and equipment	41,550	48,187
Intangible assets		
Goodwill	80,747	125,795
Other	100,400	104,477
Total intangible assets	181,147	230,272
Investments and other assets	770,929	813,284
Total non-current assets	993,627	1,091,744
Total assets	5,319,411	5,191,175
Liabilities		
Current liabilities		
Accounts payable – trade	71,406	139,649
Income taxes payable	608,791	308,326
Advances received	11,223	35,989
Provision for bonuses for directors (and other officers)	220,000	–
Provision for point card certificates	525,665	568,801
Other	772,344	508,329
Total current liabilities	2,209,431	1,561,097
Non-current liabilities		
Long-term borrowings	10,000	10,000
Asset retirement obligations	14,622	14,679
Total non-current liabilities	24,622	24,679
Total liabilities	2,234,053	1,585,776
Net assets		
Shareholders' equity		
Share capital	627,045	627,045
Capital surplus	551,260	550,795
Retained earnings	2,210,214	2,714,467
Treasury shares	(451,038)	(451,038)
Total shareholders' equity	2,937,483	3,441,270
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	138,388	162,432
Foreign currency translation adjustment	(2,049)	(4,107)
Total accumulated other comprehensive income	136,339	158,325
Non-controlling interests	11,535	5,802
Total net assets	3,085,357	3,605,398
Total liabilities and net assets	5,319,411	5,191,175

(2) Quarterly consolidated statements of income and comprehensive income

(Quarterly consolidated statements of income)

(For the three months ended March 31)

(Thousand yen)

	Previous three months period (January 1, 2020 to March 31, 2020)	Three months under review (January 1, 2021 to March 31, 2021)
Net sales	821,378	2,058,135
Cost of sales	266,769	619,154
Gross profit	554,608	1,438,981
Selling, general and administrative expenses	364,696	589,609
Operating profit	189,912	849,371
Non-operating income		
Interest income	224	42
Foreign exchange gains	—	8,182
Reversal of allowance for doubtful accounts	—	590
Commission income	431	—
Miscellaneous income	398	2,518
Total non-operating income	1,054	11,334
Non-operating expenses		
Interest expenses	587	534
Foreign exchange losses	871	—
Provision of allowance for doubtful accounts	1,920	—
Miscellaneous loss	16	0
Total non-operating expenses	3,396	534
Ordinary profit	187,571	860,172
Extraordinary losses		
Loss on valuation of investment securities	120,600	—
Total extraordinary losses	120,600	—
Profit before income taxes	66,971	860,172
Income taxes – current	54,979	292,520
Income taxes – deferred	5,159	(18,167)
Total income taxes	60,138	274,353
Profit	6,832	585,818
Profit (loss) attributable to non-controlling interests	2,026	(1,487)
Profit attributable to owners of parent	4,805	587,306

(Quarterly consolidated statements of comprehensive income)
(For the three months ended March 31)

(Thousand yen)

	Previous three months period (January 1, 2020 to March 31, 2020)	Three months under review (January 1, 2021 to March 31, 2021)
Profit	6,832	585,818
Other comprehensive income		
Valuation difference on available-for-sale securities	32,074	24,043
Foreign currency translation adjustment	200	(2,057)
Total other comprehensive income	32,275	21,985
Comprehensive income	39,107	607,804
Comprehensive income attributable to:		
Owners of parent	37,081	609,292
Non-controlling interests	2,026	(1,487)