

# Translation

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## Summary of Consolidated Financial Results for the Year Ended March 31, 2020 (Based on Japanese GAAP)

May 7, 2020

Company name: Japan Animal Referral Medical Center (JARMeC)  
 Stock exchange listing: Tokyo  
 Stock code: 6039 URL <https://www.jarmec.co.jp/>  
 Representative: Representative Director and President Hidehiro Hirao  
 Executive Director, Finance and Administration  
 Inquiries: Takayuki Ishikawa TEL 044-850-1320  
 Scheduled date of ordinary general meeting of shareholders: June 24, 2020  
 Scheduled date to file Securities Report: June 25, 2020  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the year ended March 31, 2020 (from April 1, 2019 to March 31, 2020)

#### (1) Consolidated operating results

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	%
Year ended March 31, 2020	2,734	6.6	430	8.4	450	11.4	312	6.1
Year ended March 31, 2019	2,563	13.5	397	41.9	404	53.7	294	41.7

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2020	128.79	124.24	15.8	7.5	15.8
Year ended March 31, 2019	122.06	117.01	17.5	6.7	15.5

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2020	5,928	2,133	36.0	879.93
As of March 31, 2019	6,088	1,828	30.0	755.20

#### (3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2020	537	(93)	(445)	1,149
Year ended March 31, 2019	741	(108)	(273)	1,150

### 2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2019	–	0.00	–	0.00	0.00	–	0.0	–
Year ended March 31, 2020	–	0.00	–	0.00	0.00	–	0.0	–
Year ending March 31, 2021 (Forecast)	–	0.00	–	0.00	0.00		0.0	

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
Full year	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
	2,800	2.4	435	1.0	445	(1.3)	315	0.7	133.49

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2020

(changes in specified subsidiaries resulting in the change in scope of consolidation):

No

(2) 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

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2020	2,433,700 shares	As of March 31, 2019	2,421,700 shares
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Number of treasury shares at the end of the period

As of March 31, 2020	8,648 shares	As of March 31, 2019	23 shares
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Average number of shares during the period

Year ended March 31, 2020	2,428,778 shares	Year ended March 31, 2019	2,416,213 shares
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# Consolidated financial statements

## Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Assets		
Current assets		
Cash and deposits	1,250,347	1,249,278
Accounts receivable - trade	142,114	144,052
Merchandise	44,237	47,685
Supplies	4,348	5,605
Other	48,605	29,087
Allowance for doubtful accounts	(9,237)	(11,201)
Total current assets	1,480,414	1,464,508
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,365,602	2,365,602
Accumulated depreciation	(701,233)	(799,305)
Buildings and structures, net	1,664,368	1,566,296
Vehicles	6,185	7,410
Accumulated depreciation	(4,005)	(2,833)
Vehicles, net	2,179	4,576
Tools, furniture and fixtures	1,824,709	1,722,200
Accumulated depreciation	(1,331,893)	(1,280,524)
Tools, furniture and fixtures, net	492,816	441,675
Land	2,228,267	2,228,267
Construction in progress	41,981	41,981
Total property, plant and equipment	4,429,614	4,282,798
Intangible assets	8,070	20,936
Investments and other assets		
Deferred tax assets	59,179	53,533
Other	110,951	106,967
Total investments and other assets	170,130	160,500
Total non-current assets	4,607,814	4,464,235
Total assets	6,088,229	5,928,743

(Thousands of yen)

	As of March 31, 2019	As of March 31, 2020
Liabilities		
Current liabilities		
Accounts payable - trade	40,289	49,994
Current portion of long-term borrowings	522,379	511,499
Income taxes payable	71,371	101,073
Provision for bonuses	55,114	55,310
Other	201,278	122,979
Total current liabilities	890,433	840,856
Non-current liabilities		
Long-term borrowings	3,311,987	2,892,678
Retirement benefit liability	16,500	20,450
Asset retirement obligations	40,449	40,860
Total non-current liabilities	3,368,937	2,953,989
Total liabilities	4,259,370	3,794,846
Net assets		
Shareholders' equity		
Share capital	381,875	384,875
Capital surplus	337,193	340,193
Retained earnings	1,109,843	1,422,661
Treasury shares	(53)	(13,833)
Total shareholders' equity	1,828,858	2,133,897
Total net assets	1,828,858	2,133,897
Total liabilities and net assets	6,088,229	5,928,743

**Consolidated statements of income and consolidated statements of comprehensive income**  
**Consolidated statements of income**

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Net sales	2,563,690	2,734,051
Cost of sales	1,640,083	1,726,017
Gross profit	923,607	1,008,033
Selling, general and administrative expenses	526,380	577,348
Operating profit	397,227	430,685
Non-operating income		
Rental income from buildings	24,133	24,500
Insurance claim income	4,019	18,294
Other	2,589	3,524
Total non-operating income	30,742	46,319
Non-operating expenses		
Interest expenses	17,041	15,206
Financing expenses	4,840	10,519
Other	1,121	309
Total non-operating expenses	23,003	26,035
Ordinary profit	404,966	450,969
Extraordinary income		
Gain on sales of non-current assets	—	678
Total extraordinary income	—	678
Extraordinary losses		
Impairment loss	13,845	—
Total extraordinary losses	13,845	—
Profit before income taxes	391,121	451,648
Income taxes - current	84,897	133,184
Income taxes - deferred	11,292	5,645
Total income taxes	96,190	138,829
Profit	294,931	312,818
Profit attributable to owners of parent	294,931	312,818

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Profit	294,931	312,818
Comprehensive income	294,931	312,818
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	294,931	312,818

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2019

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	378,825	334,143	814,912	—	1,527,881	1,527,881
Changes during period						
Issuance of new shares	3,050	3,050			6,100	6,100
Profit attributable to owners of parent			294,931		294,931	294,931
Purchase of treasury shares				(53)	(53)	(53)
Total changes during period	3,050	3,050	294,931	(53)	300,977	300,977
Balance at end of period	381,875	337,193	1,109,843	(53)	1,828,858	1,828,858

Fiscal year ended March 31, 2020

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	381,875	337,193	1,109,843	(53)	1,828,858	1,828,858
Changes during period						
Issuance of new shares	3,000	3,000			6,000	6,000
Profit attributable to owners of parent			312,818		312,818	312,818
Purchase of treasury shares				(13,779)	(13,779)	(13,779)
Total changes during period	3,000	3,000	312,818	(13,779)	305,038	305,038
Balance at end of period	384,875	340,193	1,422,661	(13,833)	2,133,897	2,133,897

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2019	Fiscal year ended March 31, 2020
Cash flows from operating activities		
Profit before income taxes	391,121	451,648
Depreciation	224,271	217,946
Increase (decrease) in allowance for doubtful accounts	2,090	1,963
Increase (decrease) in provision for bonuses	12,249	195
Increase (decrease) in retirement benefit liability	4,300	3,950
Interest expenses	17,041	15,206
Financing expenses	4,290	10,553
Insurance claim income	(4,019)	(18,294)
Impairment loss	13,845	—
Decrease (increase) in trade receivables	(23,691)	(1,938)
Decrease (increase) in inventories	(1,937)	(4,706)
Increase (decrease) in trade payables	(5,929)	9,705
Decrease (increase) in consumption taxes refund receivable	58,893	—
Increase (decrease) in accrued consumption taxes	84,538	(50,892)
Other, net	36,896	(861)
Subtotal	813,960	634,476
Interest received	19	21
Interest paid	(17,022)	(15,574)
Proceeds from insurance income	4,019	20,803
Income taxes paid	(59,542)	(101,746)
Net cash provided by (used in) operating activities	741,434	537,979
Cash flows from investing activities		
Payments into time deposits	(100,000)	(100,000)
Proceeds from withdrawal of time deposits	100,000	100,000
Purchase of property, plant and equipment	(97,596)	(68,909)
Proceeds from sales of property, plant and equipment	—	678
Purchase of intangible assets	(3,552)	(18,969)
Purchase of insurance funds	(7,055)	(6,192)
Other, net	(35)	(62)
Net cash provided by (used in) investing activities	(108,238)	(93,455)
Cash flows from financing activities		
Proceeds from long-term borrowings	250,000	100,000
Repayments of long-term borrowings	(526,609)	(530,189)
Proceeds from issuance of shares	6,100	6,000
Purchase of treasury shares	(53)	(13,779)
Other, net	(2,632)	(7,625)
Net cash provided by (used in) financing activities	(273,194)	(445,593)
Effect of exchange rate change on cash and cash equivalents	—	—
Net increase (decrease) in cash and cash equivalents	360,000	(1,069)
Cash and cash equivalents at beginning of period	790,346	1,150,347
Cash and cash equivalents at end of period	1,150,347	1,149,278