



Consolidated Financial Results for the Three Months Ended March 31, 2024 [Japanese GAAP]

May 14, 2024

Company name: CareNet, Inc.

Securities code: 2150

Representative: Katsuhiko Fujii, President

Contact: Kanji Fujii, Director and CFO

Scheduled date for filing quarterly securities report:
May 14, 2024

Stock exchange listing: Tokyo Stock Exchange

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Scheduled date for commencing dividend payments: —

Preparation of supplementary financial results briefing materials: No

Holding of financial results briefing: No

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

1. Consolidated financial results for the three months ended March 31, 2024 (January 1, 2024 to March 31, 2024)

(1) Consolidated operating results

(% 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, 2024	2,667	5.6	545	(23.7)	563	(21.2)	310	(32.1)
Three months ended March 31, 2023	2,526	13.7	715	(14.7)	715	(14.7)	457	(18.0)

(Note) Comprehensive income: Three months ended March 31, 2024: 354 million yen [(21.6)%]
Three months ended March 31, 2023: 452 million yen [7.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended March 31, 2024	6.98	—
Three months ended March 31, 2023	10.27	—

(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, 2024	13,505	11,201	81.7	247.65
As of December 31, 2023	14,168	11,501	79.3	252.23

(Reference) Equity: As of March 31, 2024: 11,033 million yen As of December 31, 2023: 11,237 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, 2023	—	0.00	—	12.00	12.00
Fiscal year ending December 31, 2024	—				
Fiscal year ending December 31, 2024 (forecast)		0.00	—	12.00	12.00

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

3. Consolidated financial results forecast for the fiscal year ending December 31, 2024 (January 1, 2024 to December 31, 2024) (% 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
Full year	11,600	13.3	2,200	(9.4)	2,200	(10.8)	1,500	(0.7)	33.66

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

* 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, 2024	46,872,000 shares	As of December 31, 2023	46,872,000 shares
2) Number of shares of treasury stock at the end of the period	As of March 31, 2024	2,320,702 shares	As of December 31, 2023	2,320,702 shares
3) Average number of shares of common stock during the period	Three months ended March 31, 2024	44,551,298 shares	Three months ended March 31, 2023	44,564,298 shares

(Note) The Company's shares held by the "Board Benefit Trust (BBT)" and the "Board Benefit Trust (J-ESOP)" are included in the treasury stock deducted in the calculation of the average number of shares of common stock during the period.

* 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.

2. Quarterly consolidated financial statements and major notes

(1) Quarterly consolidated balance sheets

(Thousand yen)

	Previous fiscal year (As of December 31, 2023)	Three months under review (As of March 31, 2024)
Assets		
Current assets		
Cash and deposits	8,857,120	7,976,989
Accounts receivable - trade, and contract assets	2,177,913	2,062,112
Electronically recorded monetary claims - operating	308,408	210,732
Inventories	34,112	33,564
Prepaid expenses	222,540	227,215
Other	171,812	137,509
Allowance for doubtful accounts	(5,656)	(5,656)
Total current assets	11,766,250	10,642,467
Non-current assets		
Property, plant and equipment	214,647	203,349
Intangible assets		
Goodwill	1,099,107	947,889
Other	37,174	68,551
Total intangible assets	1,136,281	1,016,441
Investments and other assets	1,051,602	1,643,175
Total non-current assets	2,402,531	2,862,966
Total assets	14,168,782	13,505,434

(Thousand yen)

	Previous fiscal year (As of December 31, 2023)	Three months under review (As of March 31, 2024)
Liabilities		
Current liabilities		
Accounts payable – trade	179,364	146,078
Current portion of long-term borrowings	26,330	24,290
Income taxes payable	411,542	164,200
Advances received	60,570	73,572
Provision for bonuses	8,456	12,685
Provision for point card certificates	943,444	935,225
Other	818,676	731,051
Total current liabilities	2,448,385	2,087,102
Non-current liabilities		
Long-term borrowings	71,092	66,238
Retirement benefit liability	15,027	16,529
Asset retirement obligations	51,797	51,820
Provision for share awards for directors (and other officers)	59,598	65,016
Provision for share awards for employees	8,265	–
Other	13,100	17,005
Total non-current liabilities	218,879	216,609
Total liabilities	2,667,265	2,303,712
Net assets		
Shareholders' equity		
Share capital	2,405,636	2,405,636
Capital surplus	3,073,797	3,073,797
Retained earnings	6,486,661	6,258,272
Treasury shares	(700,753)	(700,753)
Total shareholders' equity	11,265,340	11,036,952
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(28,292)	(3,775)
Total accumulated other comprehensive income	(28,292)	(3,775)
Share acquisition rights	0	0
Non-controlling interests	264,467	168,543
Total net assets	11,501,516	11,201,721
Total liabilities and net assets	14,168,782	13,505,434

(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 month period (January 1, 2023 to March 31, 2023)	Three months under review (January 1, 2024 to March 31, 2024)
Net sales	2,526,715	2,667,149
Cost of sales	934,253	1,087,003
Gross profit	1,592,461	1,580,145
Selling, general and administrative expenses	877,401	1,034,894
Operating profit	715,060	545,251
Non-operating income		
Interest income	588	1,213
Share of profit of entities accounted for using equity method	—	11,055
Foreign exchange gains	194	8,442
Miscellaneous income	1,202	713
Total non-operating income	1,984	21,423
Non-operating expenses		
Interest expenses	261	161
Share issuance costs	0	—
Loss on investments in investment partnerships	95	83
Consumption tax adjustments	—	2,211
Miscellaneous loss	994	591
Total non-operating expenses	1,352	3,047
Ordinary profit	715,693	563,627
Extraordinary losses		
Loss on valuation of investment securities	—	48,018
Total extraordinary losses	—	48,018
Profit before income taxes	715,693	515,608
Income taxes – current	221,113	148,458
Income taxes – deferred	30,497	36,731
Total income taxes	251,610	185,190
Profit	464,082	330,418
Profit attributable to non-controlling interests	6,389	19,583
Profit attributable to owners of parent	457,693	310,835

(Quarterly consolidated statements of comprehensive income)

(For the three months ended March 31)

(Thousand yen)

	Previous three month period (January 1, 2023 to March 31, 2023)	Three months under review (January 1, 2024 to March 31, 2024)
Profit	464,082	330,418
Other comprehensive income		
Valuation difference on available-for-sale securities	(11,188)	24,516
Total other comprehensive income	(11,188)	24,516
Comprehensive income	452,894	354,935
Comprehensive income attributable to:		
Owners of parent	446,504	335,351
Non-controlling interests	6,389	19,583