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## Consolidated Financial Results for the Nine Months Ended September 30, 2022 [Japanese GAAP]

November 11, 2022

Company name: CareNet, Inc.

Stock exchange listing: Tokyo Stock Exchange

Securities code: 2150

URL: <https://www.caret.net.co.jp>

Representative: Katsuhiko Fujii, President

Contact: Kanji Fujii, Director and CFO

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Scheduled date for filing quarterly securities report:

Scheduled date for commencing dividend payments: —

November 14, 2022

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 nine months ended September 30, 2022 (January 1, 2022 to September 30, 2022)

#### (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                             | %     |
| Nine months ended September 30, 2022 | 6,445       | —    | 2,288            | —    | 2,308           | —    | 1,537                                   | —     |
| Nine months ended September 30, 2021 | 5,635       | 76.9 | 2,013            | 94.3 | 2,031           | 96.4 | 1,388                                   | 145.3 |

(Note) Comprehensive income: Nine months ended September 30, 2022: 1,546 million yen [—%]  
 Nine months ended September 30, 2021: 1,312 million yen [61.6%]

|                                      | Basic earnings per share | Diluted earnings per share |
|--------------------------------------|--------------------------|----------------------------|
|                                      | Yen                      | Yen                        |
| Nine months ended September 30, 2022 | 34.72                    | —                          |
| Nine months ended September 30, 2021 | 33.37                    | 33.34                      |

- (Note) 1. The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 31, 2020) and other standards have been applied since the beginning of the three months ended March 31, 2022, and the figures for the nine months ended September 30, 2022 represent the figures after the application of these accounting standards. Accordingly, year-over-year percentage changes are not stated.
2. Diluted earnings per share for the nine months ended September 30, 2022 is not stated as there are no dilutive shares.
3. On October 1, 2021, the Company conducted a stock split at a ratio of four shares to one share of common stock. Basic earnings per share and diluted earnings per share are calculated under the assumption that said stock split occurred at the beginning of the fiscal year ended December 31, 2021.

#### (2) Consolidated financial position

|                          | Total assets | Net assets  | Equity ratio | Net assets per share |
|--------------------------|--------------|-------------|--------------|----------------------|
|                          | Million yen  | Million yen | %            | Yen                  |
| As of September 30, 2022 | 11,174       | 9,347       | 83.4         | 210.58               |
| As of December 31, 2021  | 10,742       | 8,138       | 75.6         | 183.42               |

(Reference) Equity: As of September 30, 2022: 9,323 million yen As of December 31, 2021: 8,121 million yen

(Note) The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 31, 2020) and other standards have been applied since the beginning of the three months ended March 31, 2022, and the figures for the nine months ended September 30, 2022 represent the figures after the application of these accounting standards.

### 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, 2021             | —                 | 0.00               | —                 | 6.00            | 6.00  |
| Fiscal year ending December 31, 2022            | —                 | 0.00               | —                 |                 |       |
| Fiscal year ending December 31, 2022 (forecast) |                   |                    |                   | 6.00            | 6.00  |

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

3. Consolidated financial results forecast for the fiscal year ending December 31, 2022 (January 1, 2022 to December 31, 2022)  
(% indicates year-over-year change)

| Full year | 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                      |
|           | 9,000       | — | 2,589            | — | 2,614           | — | 1,818                                   | — | 41.06                    |

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

The Accounting Standard for Revenue Recognition (ASBJ Statement No. 29 of March 31, 2020) and other standards have been applied since the beginning of the three months ended March 31, 2022, and the figures in the above consolidated financial results forecast represent the figures after the application of these accounting standards. Accordingly, year-over-year percentage changes are not stated.

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

(Note) For details, please see “2. Quarterly consolidated financial statements and principal notes (3) Notes to quarterly consolidated financial statements (Changes in accounting policies)” on page 7 of the Japanese version of this attachment.

(4) Number of shares of common stock issued

- 1) Number of shares issued at the end of the period (including treasury stock)
- 2) Number of shares of treasury stock at the end of the period
- 3) Average number of shares of common stock during the period

|                                      |                   |                                      |                   |
|--------------------------------------|-------------------|--------------------------------------|-------------------|
| As of September 30, 2022             | 46,872,000 shares | As of December 31, 2021              | 46,872,000 shares |
| As of September 30, 2022             | 2,597,602 shares  | As of December 31, 2021              | 2,597,568 shares  |
| Nine months ended September 30, 2022 | 44,274,425 shares | Nine months ended September 30, 2021 | 41,597,385 shares |

(Note) 1. The Company’s shares held by the “Board Benefit Trust (BBT)” and the “Board Benefit Trust (J-ESOP)” are included in the treasury stock deduced in the calculation of the average number of shares of common stock during the period.

2. On October 1, 2021, the Company conducted a stock split at a ratio of four shares to one share of common stock. The average number of shares of common stock during the period is calculated under the assumption that said stock split occurred at the beginning of the fiscal year ended December 31, 2021.

\* 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<br>(As of December 31, 2021) | Nine months under review<br>(As of September 30, 2022) |
|---|---|--|
| <b>Assets</b>                                       |   |  |
| <b>Current assets</b>                               |   |  |
| Cash and deposits                                   | 7,365,483   | 7,826,827  |
| Accounts receivable – trade                         | 1,901,951   | –  |
| Accounts receivable - trade and contract assets     | –   | 1,809,213  |
| Electronically recorded monetary claims - operating | 92,730  | 110,423  |
| Inventories   | 35,273  | 57,508   |
| Prepaid expenses                                    | 111,970   | 101,608  |
| Other   | 99,780  | 70,655   |
| <b>Total current assets</b>                         | <b>9,607,189</b>                                  | <b>9,976,236</b>                                       |
| <b>Non-current assets</b>                           |   |  |
| Property, plant and equipment                       | 207,590   | 215,961  |
| <b>Intangible assets</b>                            |   |  |
| Goodwill  | 103,683   | 134,688  |
| Other   | 27,293  | 48,730   |
| <b>Total intangible assets</b>                      | <b>130,976</b>                                    | <b>183,419</b>   |
| Investments and other assets                        | 796,894   | 798,665  |
| <b>Total non-current assets</b>                     | <b>1,135,460</b>                                  | <b>1,198,045</b>                                       |
| <b>Total assets</b>                                 | <b>10,742,650</b>                                 | <b>11,174,282</b>                                      |

(Thousand yen)

|   | Previous fiscal year<br>(As of December 31, 2021) | Nine months under review<br>(As of September 30, 2022) |
|---|---|--|
| <b>Liabilities</b>  |   |  |
| <b>Current liabilities</b>                                    |   |  |
| Accounts payable – trade                                      | 129,377   | 117,744  |
| Current portion of long-term borrowings                       | 480   | 480  |
| Income taxes payable  | 613,781   | 330,038  |
| Advances received   | 3,432   | 30,958   |
| Provision for bonuses   | –   | 12,108   |
| Provision for bonuses for directors (and other officers)      | 234,500   | –  |
| Provision for point card certificates                         | 672,732   | 849,802  |
| Other   | 864,438   | 349,748  |
| <b>Total current liabilities</b>                              | <b>2,518,742</b>                                  | <b>1,690,880</b>                                       |
| <b>Non-current liabilities</b>                                |   |  |
| Long-term borrowings  | 9,520   | 35,364   |
| Deferred tax liabilities                                      | 34  | –  |
| Asset retirement obligations                                  | 48,444  | 48,477   |
| Provision for share awards for directors (and other officers) | 16,254  | 32,508   |
| Provision for share awards for employees                      | 11,020  | 11,020   |
| Other   | –   | 8,922  |
| <b>Total non-current liabilities</b>                          | <b>85,272</b>                                     | <b>136,291</b>   |
| <b>Total liabilities</b>                                      | <b>2,604,015</b>                                  | <b>1,827,172</b>                                       |
| <b>Net assets</b>   |   |  |
| <b>Shareholders' equity</b>                                   |   |  |
| Share capital   | 2,405,636   | 2,405,636  |
| Capital surplus   | 2,781,699   | 2,781,699  |
| Retained earnings   | 3,736,277   | 4,935,457  |
| Treasury shares   | (806,320)   | (806,356)  |
| <b>Total shareholders' equity</b>                             | <b>8,117,292</b>                                  | <b>9,316,436</b>                                       |
| <b>Accumulated other comprehensive income</b>                 |   |  |
| Valuation difference on available-for-sale securities         | 3,726   | 6,723  |
| <b>Total accumulated other comprehensive income</b>           | <b>3,726</b>                                      | <b>6,723</b>   |
| Non-controlling interests                                     | 17,616  | 23,950   |
| <b>Total net assets</b>                                       | <b>8,138,635</b>                                  | <b>9,347,110</b>                                       |
| <b>Total liabilities and net assets</b>                       | <b>10,742,650</b>                                 | <b>11,174,282</b>                                      |

(2) Quarterly consolidated statements of income and comprehensive income  
(Quarterly consolidated statements of income)  
(For the nine months ended September 30)

(Thousand yen)

|   | Previous nine month period<br>(January 1, 2021 to<br>September 30, 2021) | Nine months under review<br>(January 1, 2022 to<br>September 30, 2022) |
|---|--|--|
| Net sales   | 5,635,803  | 6,445,420  |
| Cost of sales   | 1,702,298  | 1,991,049  |
| Gross profit  | 3,933,504  | 4,454,370  |
| Selling, general and administrative expenses            | 1,919,900  | 2,165,972  |
| Operating profit  | 2,013,603  | 2,288,398  |
| Non-operating income                                    |  |  |
| Interest income   | 110  | 565  |
| Dividend income   | 7,920  | 8,178  |
| Dividend income of insurance                            | 1,939  | —  |
| Foreign exchange gains                                  | 9,871  | 25,880   |
| Reversal of allowance for doubtful accounts             | 290  | —  |
| Miscellaneous income                                    | 5,101  | 1,006  |
| Total non-operating income                              | 25,233   | 35,631   |
| Non-operating expenses                                  |  |  |
| Interest expenses                                       | 1,664  | 508  |
| Share issuance costs                                    | —  | 2,845  |
| Loss on investments in investment partnerships          | —  | 2,415  |
| Loss on retirement of non-current assets                | —  | 9,571  |
| Share acquisition rights issuance costs                 | 3,437  | —  |
| Miscellaneous loss                                      | 2,539  | —  |
| Total non-operating expenses                            | 7,641  | 15,340   |
| Ordinary profit   | 2,031,196  | 2,308,688  |
| Profit before income taxes                              | 2,031,196  | 2,308,688  |
| Income taxes – current                                  | 721,849  | 752,015  |
| Income taxes – deferred                                 | (76,570)   | 13,072   |
| Total income taxes                                      | 645,278  | 765,088  |
| Profit  | 1,385,917  | 1,543,600  |
| Profit (loss) attributable to non-controlling interests | (2,226)  | 6,334  |
| Profit attributable to owners of parent                 | 1,388,143  | 1,537,266  |

(Quarterly consolidated statements of comprehensive income)  
(For the nine months ended September 30)

(Thousand yen)

|   | Previous nine month period<br>(January 1, 2021 to<br>September 30, 2021) | Nine months under review<br>(January 1, 2022 to<br>September 30, 2022) |
|---|--|--|
| Profit  | 1,385,917  | 1,543,600  |
| Other comprehensive income                            |  |  |
| Valuation difference on available-for-sale securities | (70,272)   | 2,996  |
| Foreign currency translation adjustment               | (2,796)  | —  |
| Total other comprehensive income                      | (73,068)   | 2,996  |
| Comprehensive income                                  | 1,312,848  | 1,546,597  |
| Comprehensive income attributable to:                 |  |  |
| Owners of parent                                      | 1,315,075  | 1,540,263  |
| Non-controlling interests                             | (2,226)  | 6,334  |