

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2024  
(Based on Japanese GAAP)**

May 9, 2024

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 Takayuki Ishikawa TEL 044-850-1320  
 Inquiries: Administration  
 Scheduled date of ordinary general meeting of shareholders: June 26, 2024  
 Scheduled date to file Securities Report: June 27, 2024  
 Scheduled date to commence dividend payments: June 12, 2024  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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, 2024	4,270	10.3	496	(14.4)	489	(8.3)	337	(11.4)
Year ended March 31, 2023	3,872	30.0	580	32.2	534	21.8	380	32.7

	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, 2024	123.01	121.26	9.0	5.6	11.6
Year ended March 31, 2023	156.33	153.20	12.2	6.8	15.0

(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, 2024	8,770	3,811	43.5	1,446.52
As of March 31, 2023	8,578	3,706	43.2	1,354.99

(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, 2024	899	(985)	(392)	1,337
Year ended March 31, 2023	810	(784)	820	1,816

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, 2023	–	0.00	–	0.00	0.00	–	0.0	–
Year ended March 31, 2024	–	0.00	–	20.00	20.00	53	16.0	1.4
Year ending March 31, 2025 (Forecast)	–	0.00	–	25.00	25.00		15.3	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	4,820	12.9	625	25.8	625	27.6	440	30.5	166.99

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(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:

Yes

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, 2024	2,858,700 shares	As of March 31, 2023	2,836,200 shares
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Number of treasury shares at the end of the period

As of March 31, 2024	223,816 shares	As of March 31, 2023	101,116 shares
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Average number of shares during the period

Year ended March 31, 2024	2,741,320 shares	Year ended March 31, 2023	2,434,971 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	1,916,039	1,337,639
Accounts receivable - trade, and contract assets	263,369	297,196
Merchandise	95,691	74,873
Raw materials and supplies	31,157	22,481
Other	100,080	52,918
Allowance for doubtful accounts	(9,616)	(7,745)
Total current assets	2,396,722	1,777,363
Non-current assets		
Property, plant and equipment		
Buildings and structures	3,290,481	3,334,589
Accumulated depreciation	(1,073,008)	(1,209,564)
Buildings and structures, net	2,217,472	2,125,025
Vehicles	20,659	16,800
Accumulated depreciation	(12,448)	(11,015)
Vehicles, net	8,211	5,784
Tools, furniture and fixtures	2,497,027	3,285,482
Accumulated depreciation	(1,637,760)	(1,657,118)
Tools, furniture and fixtures, net	859,266	1,628,363
Land	2,248,337	2,248,337
Construction in progress	–	144,312
Total property, plant and equipment	5,333,288	6,151,823
Intangible assets		
Goodwill	183,328	162,958
Trademark right	391,917	348,371
Other	32,990	36,752
Total intangible assets	608,236	548,082
Investments and other assets		
Deferred tax assets	49,881	53,462
Other	190,768	239,305
Total investments and other assets	240,649	292,767
Total non-current assets	6,182,174	6,992,673
Total assets	8,578,896	8,770,036

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	83,316	58,702
Accounts payable - other	266,717	477,587
Current portion of long-term borrowings	582,517	626,493
Income taxes payable	149,073	81,149
Provision for bonuses	87,386	118,447
Other	100,834	176,230
Total current liabilities	1,269,845	1,538,611
Non-current liabilities		
Long-term borrowings	3,393,164	3,230,051
Retirement benefit liability	34,100	38,350
Deferred tax liabilities	118,013	99,837
Asset retirement obligations	40,944	41,394
Other	16,790	10,367
Total non-current liabilities	3,603,013	3,420,001
Total liabilities	4,872,858	4,958,612
Net assets		
Shareholders' equity		
Share capital	791,100	796,725
Capital surplus	711,137	712,128
Retained earnings	2,375,457	2,712,674
Treasury shares	(171,656)	(410,104)
Total shareholders' equity	3,706,038	3,811,423
Total net assets	3,706,038	3,811,423
Total liabilities and net assets	8,578,896	8,770,036

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

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	3,872,994	4,270,195
Cost of sales	2,430,053	2,805,844
Gross profit	1,442,941	1,464,350
Selling, general and administrative expenses	862,392	967,431
Operating profit	580,548	496,919
Non-operating income		
Rental income from buildings	23,361	23,679
Gain on sale of goods	5,518	-
Surrender value of insurance policies	863	4,061
Other	10,066	8,973
Total non-operating income	39,809	36,714
Non-operating expenses		
Interest expenses	17,592	18,825
Share issuance costs	39,650	-
Financing expenses	4,246	3,268
Loss on retirement of non-current assets	22,049	19,406
Other	2,733	2,352
Total non-operating expenses	86,272	43,852
Ordinary profit	534,085	489,781
Extraordinary income		
Gain on sale of non-current assets	128	1,524
Total extraordinary income	128	1,524
Extraordinary losses		
Loss on sale of non-current assets	281	-
Total extraordinary losses	281	-
Profit before income taxes	533,932	491,305
Income taxes - current	215,611	175,845
Income taxes - deferred	(62,343)	(21,757)
Total income taxes	153,268	154,088
Profit	380,664	337,217
Profit attributable to owners of parent	380,664	337,217

**Consolidated statements of comprehensive income**

	(Thousands of yen)	
	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	380,664	337,217
Comprehensive income	380,664	337,217
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	380,664	337,217

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	385,500	315,717	1,994,792	(186,086)	2,509,923	2,509,923
Changes during period						
Issuance of new shares	405,600	405,600			811,200	811,200
Profit attributable to owners of parent			380,664		380,664	380,664
Disposal of treasury shares		(10,179)		14,429	4,250	4,250
Total changes during period	405,600	395,420	380,664	14,429	1,196,114	1,196,114
Balance at end of period	791,100	711,137	2,375,457	(171,656)	3,706,038	3,706,038

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at beginning of period	791,100	711,137	2,375,457	(171,656)	3,706,038	3,706,038
Changes during period						
Issuance of new shares	5,625	5,625			11,250	11,250
Profit attributable to owners of parent			337,217		337,217	337,217
Purchase of treasury shares				(335,439)	(335,439)	(335,439)
Disposal of treasury shares		(4,633)		96,991	92,358	92,358
Total changes during period	5,625	991	337,217	(238,448)	105,385	105,385
Balance at end of period	796,725	712,128	2,712,674	(410,104)	3,811,423	3,811,423

## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	533,932	491,305
Depreciation	391,472	444,101
Amortization of goodwill	20,369	20,369
Increase (decrease) in allowance for doubtful accounts	1,825	(1,871)
Increase (decrease) in provision for bonuses	8,051	31,061
Increase (decrease) in retirement benefit liability	7,000	4,250
Surrender value of insurance policies	(863)	(4,061)
Interest expenses	17,592	18,825
Share issuance costs	39,650	–
Financing expenses	4,246	3,268
Gain on sale of non-current assets	(128)	(1,524)
Loss (gain) on sale of non-current assets	281	–
Loss on retirement of non-current assets	22,049	19,406
Decrease (increase) in trade receivables	(34,376)	(33,826)
Decrease (increase) in inventories	(40,862)	15,494
Increase (decrease) in trade payables	17,673	(2,457)
Decrease (increase) in consumption taxes refund receivable	(22,677)	61,294
Increase (decrease) in accrued consumption taxes	(9,165)	35,723
Other, net	26,950	58,740
Subtotal	983,022	1,160,102
Interest and dividends received	21	56
Interest paid	(17,436)	(18,885)
Income taxes refund	7,035	–
Income taxes paid	(161,720)	(241,490)
Net cash provided by (used in) operating activities	810,922	899,782
Cash flows from investing activities		
Payments into time deposits	(100,000)	–
Proceeds from withdrawal of time deposits	100,000	100,000
Purchase of property, plant and equipment	(728,305)	(1,041,040)
Proceeds from sale of property, plant and equipment	218	1,625
Purchase of intangible assets	(13,633)	(14,153)
Payments of leasehold deposits	(8)	(344)
Purchase of insurance funds	(31,469)	(32,064)
Other, net	(10,867)	117
Net cash provided by (used in) investing activities	(784,065)	(985,860)
Cash flows from financing activities		
Proceeds from long-term borrowings	625,300	489,900
Repayments of long-term borrowings	(571,576)	(609,037)
Proceeds from issuance of shares	771,549	11,250
Repayments of lease liabilities	(6,159)	(5,832)
Purchase of treasury shares	–	(328,616)
Proceeds from disposal of treasury shares	4,250	50,774
Other, net	(2,777)	(759)
Net cash provided by (used in) financing activities	820,586	(392,322)
Effect of exchange rate change on cash and cash equivalents	–	–
Net increase (decrease) in cash and cash equivalents	847,443	(478,400)
Cash and cash equivalents at beginning of period	968,595	1,816,039
Cash and cash equivalents at end of period	1,816,039	1,337,639