

Building elderly housing with supportive services and providing care services

This report is an English translation of part of the report issued on March 23, 2021.

For inquiries concerning the report, please contact info@stock-r.org**[7362 Terminalcare Support Institute Sector : Services]**

Fiscal Year	Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Dec. 2019	2,385	9.8	111	63.2	107	78.3	76	-6.4	62.3	110.0	0.0
Dec. 2020	2,930	22.9	89	-19.8	134	25.2	102	34.2	83.3	193.3	0.0
Dec. 2021 f	3,324	13.4	179	2.0x	163	21.6	124	21.6	84.9	-	0.0

Note: Consolidated basis. Figures for the fiscal year ending December 2021 are the company's forecasts. It conducted 1-to-100 stock split on April 1, 2020. Per share indices are adjusted retroactively.

Institution Supporting Terminal Care

Terminalcare Support Institute Group is comprised of Terminalcare Support Institute and its consolidated subsidiary, Kitayama Jutaku Hanbai. It operates elderly housing with supportive services under the Anges brand as its care business. Kitayama Jutaku Hanbai designs and constructs Anges buildings as its real estate business and it also owns 6 Anges properties. The Group provides residences and care services to the elderly hoping to be taken care of at their homes until their end, and owns, designs, constructs and operates elderly housing with supportive services in a comprehensive manner.

The care business accounts for 83.1% of net sales in the fiscal year ended December 2020 and the rest is from the real estate business (Figure 1).

Figure 1: Net Sales Composition

	Fiscal year ended Dec. 2019		Fiscal year ended Dec. 2020	
	Net sales (million yen)	Composition (%)	Net sales (million yen)	Composition (%)
Care business	1,962	82.3	2,436	83.1
Real estate business	422	17.7	494	16.9
Net sales	2,385	100.0	2,930	100.0

Source: Prepared by Stock Research Center based on the notifiable

Care Business

The company conducts operation of elderly housing with supportive services, home-visit long-term care and home care support as its care business. Net sales of the care business is comprised of revenue related to elderly housing with supportive services, which includes rent and food expenses, and revenue from long-term care insurance due to home-visit long-term care and home care support. Revenue related to elderly housing with supportive services is basically fixed rate and revenue from long-term care insurance varies by the service usage amount and care level.

It owns 24 elderly housing with supportive services centering on Kyoto Prefecture (five housing) and Shiga Prefecture (seven housing).

Real Estate Business

Kitayama Jutaku Hanbai concludes construction contracts with the land owners, which will be the construction clients, and conducts from design to construction of Anges properties, elderly housing with supportive services. As the company is rich in expertise on the uniformed model of elderly housing with supportive services under the 29-room format, it can shorten the design period, suppress building costs and construct buildings appropriate for residences with long-term care.

Terminalcare Support Institute (7362 TSE Mothers) - - - - - March 25,2021

Financial Statements

Statement of income	Fiscal Year	Dec. 2018		Dec. 2019		Dec.2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		2,172	100.0	2,385	100.0	2,930	100.0
Cost of sales		1,883	86.7	1,983	83.1	2,466	84.2
Gross profit		289	13.3	401	16.8	464	15.8
Selling, general and administrative expenses		220	10.1	289	12.1	375	12.8
Operating profit		68	3.1	111	4.7	59	2.0
Non-operating income		17	-	29	-	69	-
Non-operating expenses		25	-	33	-	24	-
Ordinary profit		60	2.8	107	4.5	134	4.6
Profit before income taxes		61	2.8	106	4.4	134	4.6
Profit attributable to owners of parent		78	3.6	76	3.2	102	3.5

Balance sheet	Fiscal Year	Dec. 2018		Dec. 2019		Dec.2020	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		662	42.9	817	39.5	932	45.3
Cash and deposits		266	17.2	416	20.1	411	20.0
Accounts receivable-trade		165	10.7	196	9.5	242	11.8
Real estate for sale		75	4.9	-	-	122	5.9
Costs on uncompleted construction contracts		52	3.4	53	2.6	1	
Non-current assets		880	57.0	1,249	60.4	1,124	54.7
Property, plant and equipment		811	52.6	1,195	57.8	1,077	52.4
Intangible assets		32	2.1	21	1.0	9	0.4
Investments and other assets		36	2.3	32	1.5	36	1.8
Total assets		1,543	100.0	2,067	100.0	2,056	100.0
Current liabilities		560	36.3	631	30.5	600	29.2
Accounts payable-trade		10	0.6	12	0.6	14	0.7
Short-term borrowings		200	13.0	130	6.3	150	7.3
Current portion of long-term borrowings		56	3.6	67	3.2	74	3.6
Non-current liabilities		924	59.9	1,301	62.9	1,218	59.2
Long-term borrowings		887	57.5	1,279	61.9	1,204	58.6
Net assets		58	3.8	135	6.5	237	11.5
Owners' equity		58	3.8	135	6.5	237	11.5

Statement of cash flows	Fiscal Year	Dec. 2018	Dec. 2019	Dec.2020
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		-42	192	124
Depreciation		56	55	73
Cash flows from investing activities		-3	-360	-74
Cash flows from financing activities		43	317	-56
Dividends paid		-	-	-
Net increase in cash and cash equivalents		-1	149	-6
Cash and cash equivalents		260	409	403

Note: Consolidated basis.

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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