

SUNWELS (9229 TSE Growth) - - - - - June 28 ,2022**Developing fee-based nursing homes specializing in Parkinson's disease nationwide**

This report is an English translation of part of the report issued on June 28, 2022.
For inquiries concerning the report, please contact info@stock-r.org

[9229 SUNWELS 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)
Mar. 2021	5,404	23.4	322	22.9	316	38.0	241	62.8	31.2	89.6	10.9
Mar. 2022	8,419	55.8	490	52.2	348	10.1	255	5.8	33.0	111.7	11.0
Mar. 2023 f	12,990	54.3	1,320	2.7	1,001	2.9x	655	2.6x	72.2	-	25.3

Note: Non-consolidated basis. Figures for the fiscal year ending March 2023 are the company's forecasts.

It conducted 1-to-100 stock split on March 25, 2021 and 1-to-100 stock split on February 15, 2022. Per share indices

Developing Long-Term Care Business Centered on Fee-Based Nursing Homes Specializing in Parkinson's Disease

SUNWELS' main business is the facility care business such as medical care homes, group homes, day service facilities centering on fee-based nursing homes specializing in Parkinson's disease. It also rents and sells welfare equipment, renovates houses, operates compression training gyms, and more.

Since the fiscal year ended March 2019, it has focused on opening PD Houses (fee-based nursing homes specializing in Parkinson's disease) which achieved net sales of 3,356 million yen in the first three quarters of fiscal year ended March 2022, accounting for the majority of its sales at 56.7%. Next was medical care homes accounting for 30.1%.

In the facility care business, 10-30% of net sales is from facility rent and meal fees paid by service users, co-payment portion of long-term care and medical insurances, etc., while the remaining 70-90% is insurance income from long-term care and medical insurances and welfare services for persons with disabilities.

PD Houses are residential, fee-based nursing homes specializing in patients with severe Parkinson's disease. As of the end of fiscal year ended March 2022, there are 12 facilities (613 beds) nationwide. PD Houses offer rehabilitation programs specializing in Parkinson's disease, in-home medical care by specialists, medication management by nurses and such.

Its fee-based nursing home brand specializing in medical care offers medical care and lifestyle support from doctors and nurses to patients with dementia, cancer and intractable diseases as they live in the facilities. As of the end of April 2022, SUNWELS operates seven locations in the Hokuriku area.

In addition to the above, it also operates two group homes and three day service facilities as of the end of April.

SUNWELS (9229 TSE Growth) - - - - - June 28 ,2022**Financial Statements**

Statement of income	Fiscal Year	Mar.2020		Mar.2021		Mar.2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		4,379	100.0	5,404	100.0	8,419	100.0
Cost of sales		3,152	72.0	4,028	74.5	6,314	75.0
Gross profit		1,227	28.0	1,376	25.5	2,105	25.0
Selling, general and administrative expenses		964	22.0	1,054	19.5	1,615	19.2
Operating profit		262	6.0	322	6.0	490	5.8
Non-operating income		24	-	43	-	25	-
Non-operating expenses		57	-	49	-	167	-
Ordinary profit		229	5.2	316	5.8	348	4.1
Profit before income taxes		206	4.7	331	6.1	346	4.1
Net profit		148	3.4	241	4.5	255	3.0

Balance sheet	Fiscal Year	Mar.2020		Mar.2021		Mar.2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		1,243	35.9	1,585	33.1	2,547	28.3
Cash and deposits		453	13.1	496	10.4	814	9.0
Accounts receivable-trade		736	21.2	1,010	21.1	1,617	17.9
Inventories		4	0.1	7	0.1	29	0.3
Non-current assets		2,224	64.1	3,202	66.9	6,468	71.7
Property, plant and equipment		1,857	53.6	2,730	57.0	5,785	64.2
Intangible assets		28	0.8	21	0.4	17	0.2
Investments and other assets		338	9.7	451	9.4	665	7.4
Total assets		3,467	100.0	4,788	100.0	9,015	100.0
Current liabilities		1,375	39.7	1,650	34.5	3,116	34.6
Accounts payable - trade		49	1.4	55	1.1	68	0.8
Short-term borrowings		390	11.2	500	10.4	1,540	17.1
Current portion of bonds payable		31	0.9	31	0.6	31	0.3
Current portion of long-term borrowings		256	7.4	290	6.1	265	2.9
Non-current liabilities		1,603	46.2	2,444	51.0	5,034	55.8
Bonds payable		168	4.8	137	2.9	106	1.2
Long-term borrowings		961	27.7	1,431	29.9	1,165	12.9
Net assets		487	14.0	693	14.5	864	9.6
Owners' equity		487	14.0	693	14.5	864	9.6

Statement of cash flows	Fiscal Year	Mar.2020	Mar.2021	Mar.2022
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		313	201	378
Depreciation		142	181	311
Cash flows from investing activities		-551	-648	-633
Cash flows from financing activities		-818	489	573
Dividends paid		-31	-35	-84
Net increase in cash and cash equivalents		-1,056	42	318
Cash and cash equivalents		453	496	814

Note:Non-consolidated basis.

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

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