

# Results for the First Quarter of the Fiscal Year Ending March 2024

August 7, 2023

SHiDAX CORPORATION

(TSE Code:4837)



# Consolidated Financial Results for Q1 FY03/24

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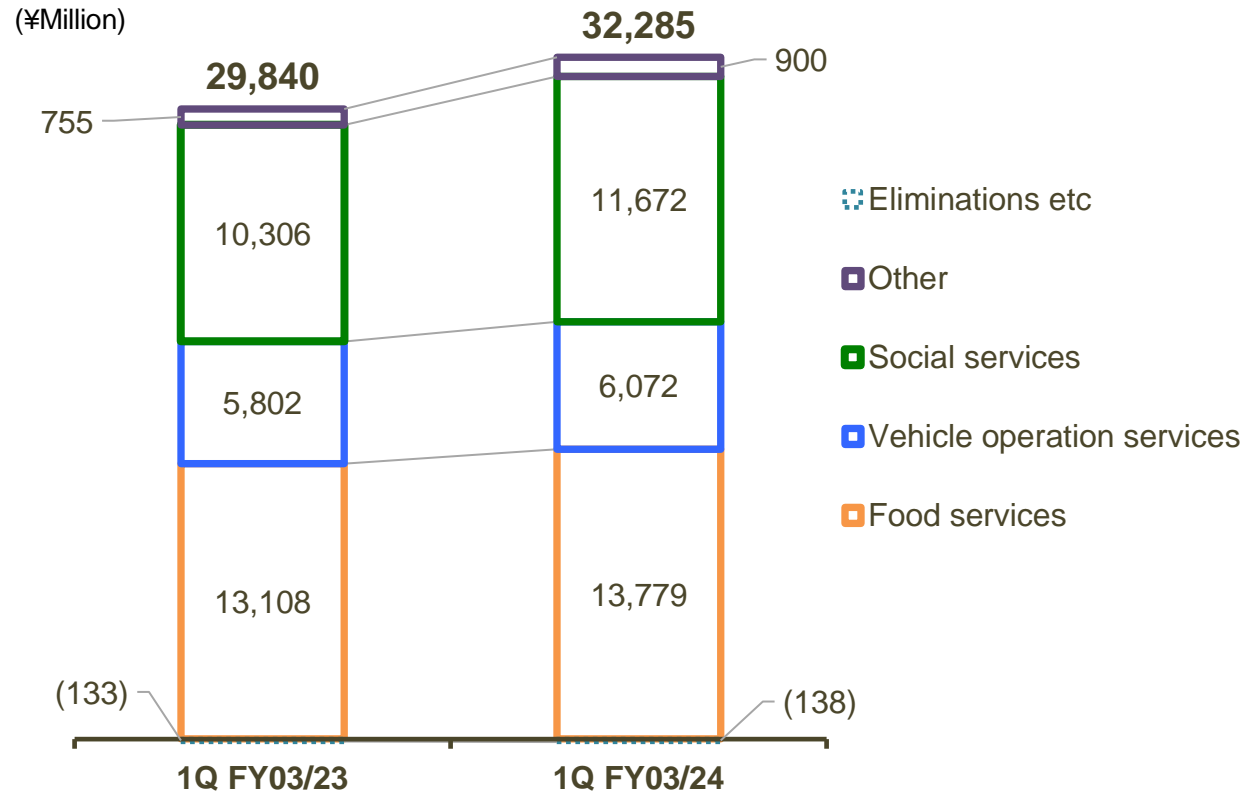
# Overview of Consolidated Financial Results (April-June)

(¥Million)	Q1 FY03/23	Q1 FY03/24	YoY	Difference	Factors behind the change
<b>Net Sales</b>	29,840	<b>32,285</b>	108.2%	+2,445	Social services +1,366, Food services +670 Vehicle operation services +270
Gross Profit	4,261	<b>4,606</b>	108.1%	+345	[Sale cost ratio] Previous term: 85.7% This term: 85.7%
SGA	3,065	<b>3,378</b>	110.2%	+312	[SGA ratio] Previous term:10.3% This term: 10.5%
<b>Operating Profit</b>	1,195	<b>1,228</b>	102.7%	+32	Other +99, Social services +84, Food services (120)
Non-operating income	21	<b>25</b>	122.1%	+4	
Non-operating expenses	360	<b>84</b>	23.4%	(276)	Previous term: fee for syndicated loans +240
<b>Ordinary Profit</b>	856	<b>1,169</b>	136.6%	+313	Decrease in non-operating expenses
Extraordinary income	157	<b>4</b>	2.7%	(152)	
Extraordinary losses	5	<b>15</b>	267.3%	+9	
Profit before income taxes	1,007	<b>1,158</b>	115.0%	+151	
Taxes/ Others	90	<b>519</b>	577.0%	+429	[Income taxes - deferred] Previous term: (93) This term: 356
<b>Profit attributable to owners of parent</b>	917	<b>638</b>	69.7%	(278)	Increase in income taxes

# Net Sales and Operating Profit: YoY Comparison

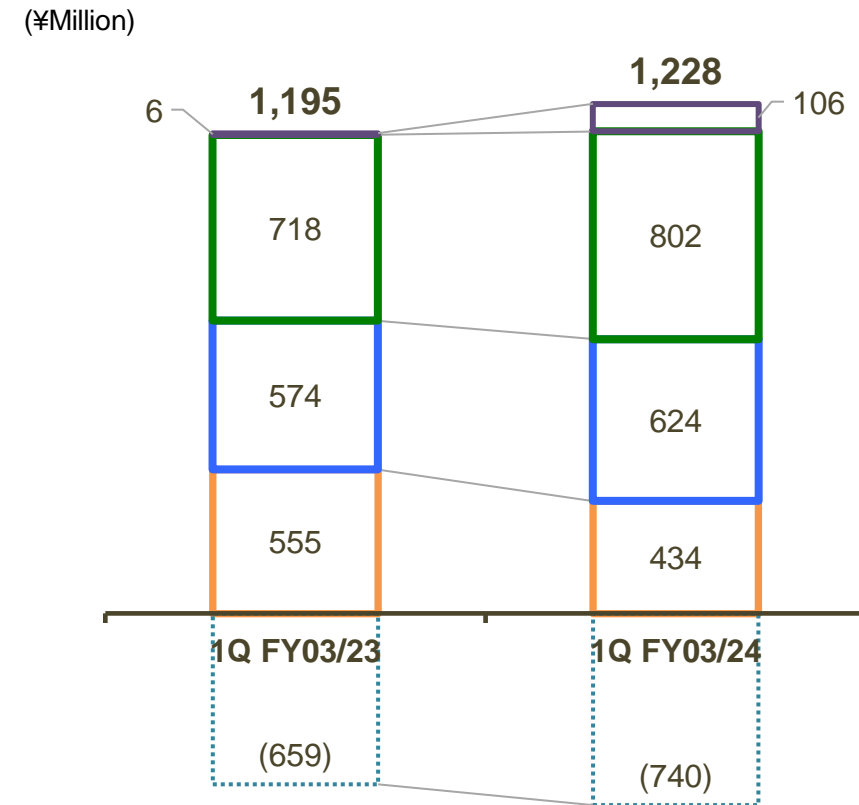
## Net sales

Sales increased by ¥2,445 million due to an increase in sales in all 3 core businesses as a result of an increase in order contracts and an upturn in demand accompanying the normalization of economic activities.



## Operating profit

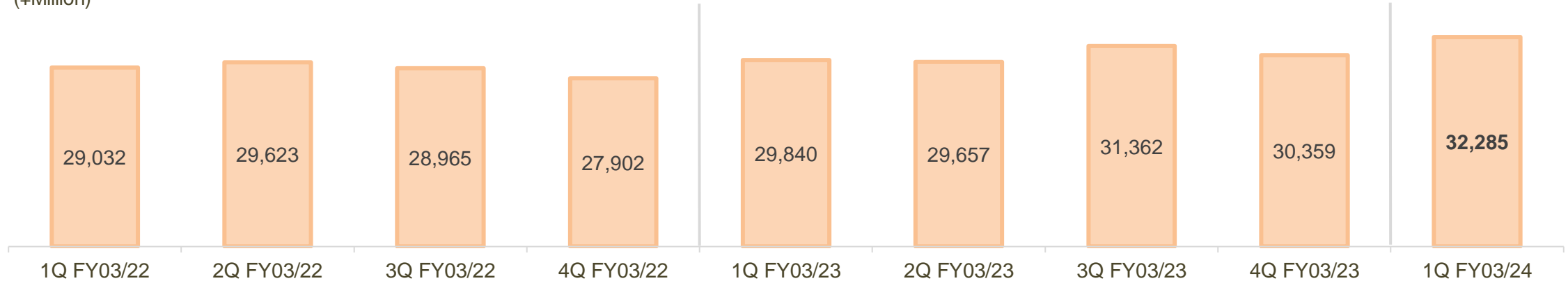
Profit increased by ¥32 million as Vehicle Operation Services and Social Services covered the decline in Food Services due to the deterioration in food and labor costs, such as the delay in passing on cost increases.



# Quarterly Trends: Net Sales and Operating Profit

## Net sales

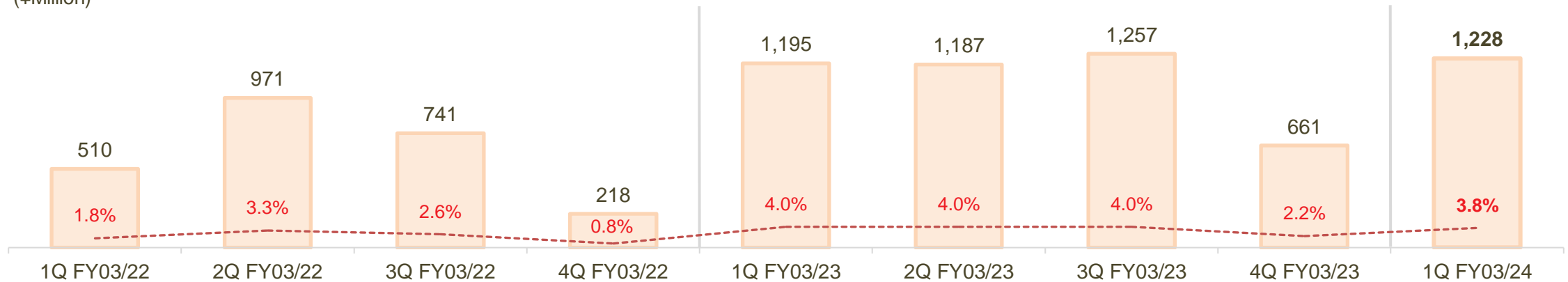
(¥Million)



## Operating profit

(¥Million)

Operating profit      Operating profit margin



## B/S Summary

(¥Million)	As of March 31, 2023	As of June 30, 2023	Difference
Total assets	33,195	35,205	+2,010
Total liabilities	20,969	22,801	+1,831
Total net assets	12,225	12,404	+179
Interest-bearing debt	3,415	3,039	(376)
Net interest-bearing debt	(4,010)	(6,173)	(2,162)
D/E ratio (times)	0.28	0.25	(0.03)
Net D/E ratio (times)	(0.33)	(0.51)	0.18)
Cash and cash equivalents	7,426	9,212	+1,786
Shareholders' equity ratio (%)	36.8	35.2%	(1.6)pt

# Forecasts for the Fiscal Year Ending March 31, 2024

■ No change to the consolidated earnings and dividend forecasts announced on May 16, 2023

(¥Million)	FY 03/23 Results	FY 03/24 Forecast	YoY	Difference
Net sales	121,220	<b>124,000</b>	102.3%	+2,779
Operating profit *1	4,301	<b>4,400</b>	102.3%	+98
Operating profit margin (%)	3.5%	<b>3.5%</b>		
Ordinary profit	4,188	<b>4,400</b>	105.1%	+211
Profit attributable to owners of parent *2	3,817	<b>2,700</b>	70.7%	(1,117)
Dividend per share (¥)	10	<b>12</b>		+2

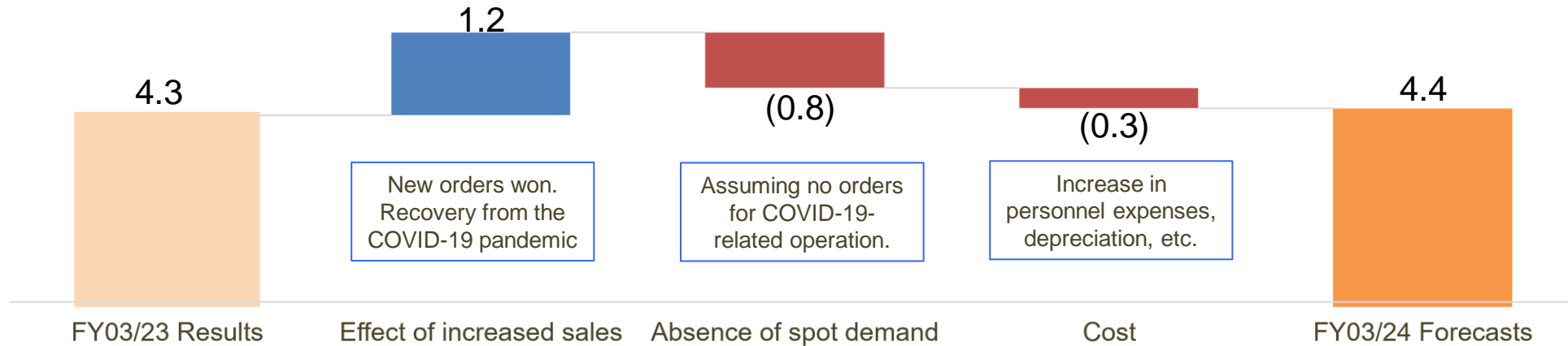
\*1 Operating profit forecast is supplemented with additional factors for increase/decrease on the next slide.

\*2 Net profit attributable to owners of parent is expected to decrease mainly due to the recording of expenses for income taxes-deferred resulting from an increase in taxable income.

# Consolidated Earnings Forecasts: Operating profit

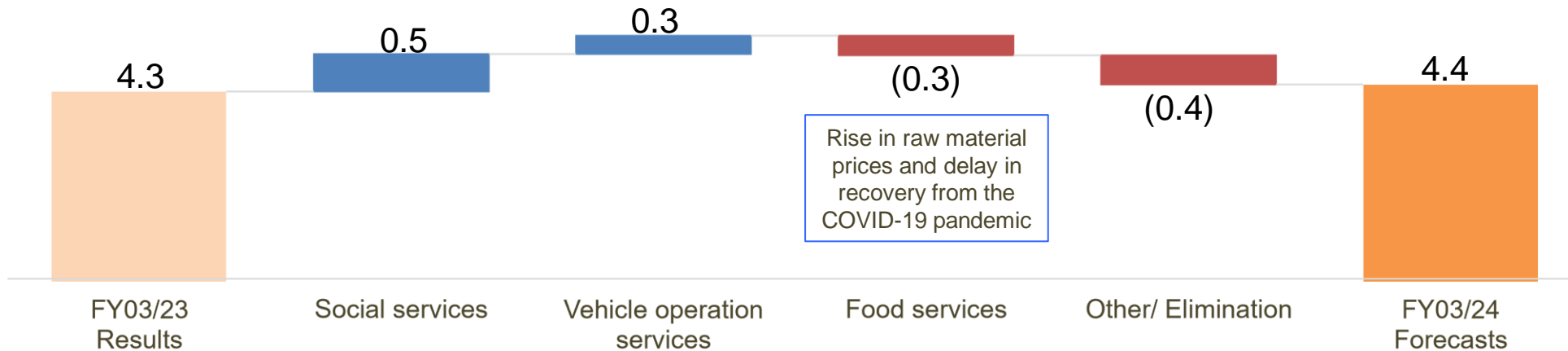
## ■ By factor

(¥Billion)



## ■ By segment

(¥Billion)



\*Increase/decrease figures in the above graphs are approximate values based on management accounting.





## Summary by Business Segment

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## Summary of Financial Results by Business Segment

Segment	(¥Million)	Q1 FY03/23	Q1 FY03/24	YoY	Difference
<b>Food services</b>	Net Sales	13,108	<b>13,779</b>	105.1%	+670
	Operating Profit	555	<b>434</b>	78.3%	(120)
<b>Vehicle operation services</b>	Net Sales	5,802	<b>6,072</b>	104.7%	+270
	Operating Profit	574	<b>624</b>	108.6%	+49
<b>Social services</b>	Net Sales	10,306	<b>11,672</b>	113.3%	+1,366
	Operating Profit	718	<b>802</b>	111.7%	+84
Other	Net Sales	755	<b>900</b>	119.1%	+144
	Operating Profit	6	<b>106</b>	1602.0%	+99
Eliminations, corporate-wide expenses, etc.	Net Sales	(133)	<b>(138)</b>	—	(5)
	Operating Profit	(659)	<b>(740)</b>	—	(80)
Total	Net Sales	29,840	<b>32,285</b>	108.2%	+2,445
	Operating Profit	1,195	<b>1,228</b>	102.7%	+32

# Food Services Business

■ Net sales increased steadily by ¥670 million due to a recovery at existing locations, but operating profit declined by ¥120 million due to a deterioration of the sales cost ratio caused by a delay in passing on cost increases and a rise in labor costs.

(¥Million)	1Q FY03/23	1Q FY03/24	YoY	Difference
<b>Net sales</b>	<b>13,108</b>	<b>13,779</b>	<b>105.1%</b>	<b>+670</b>
(Contract FS)	5,244	5,654	107.8%	+410
(Medical FS)	7,710	7,915	102.7%	+205
(Other)	154	208	135.4%	+54
<b>Operating profit</b>	<b>555</b>	<b>434</b>	<b>78.3%</b>	<b>(120)</b>
Operating profit margin (%)	4.2%	3.2%	-	(1.0)pt

## Major Positive/ Negative Factors

- (+) Existing locations (contract division) recovered following the reclassification of COVID-19 as a Category 5 infectious disease.
- (+) Increase of client locations
- (-) Delays in passing on rising raw material prices to prices
- (-) Increase in labor costs



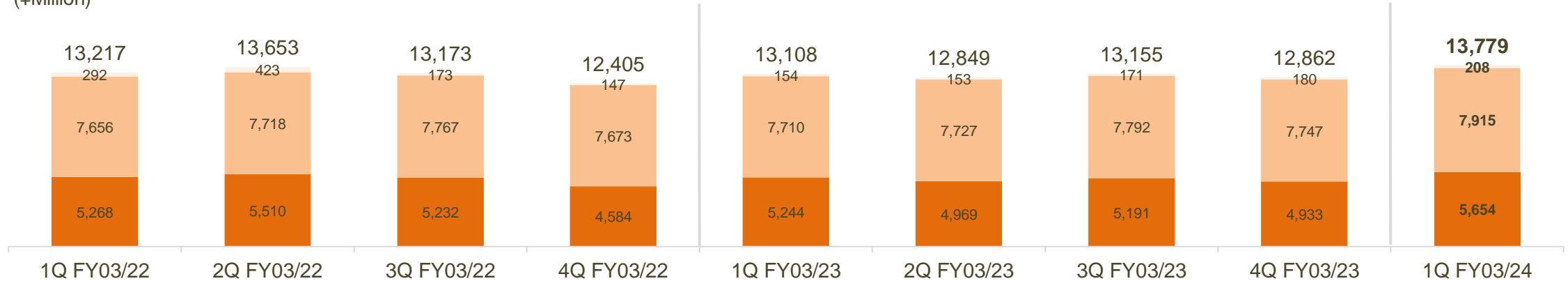
Continue to promote price increase negotiations and strengthen measures to improve food and labor costs through cost control, such as switching to price-stable ingredients and limiting material costs by changing menus.

# Quarterly Trends: Food Service Business

## Net sales

(¥Million)

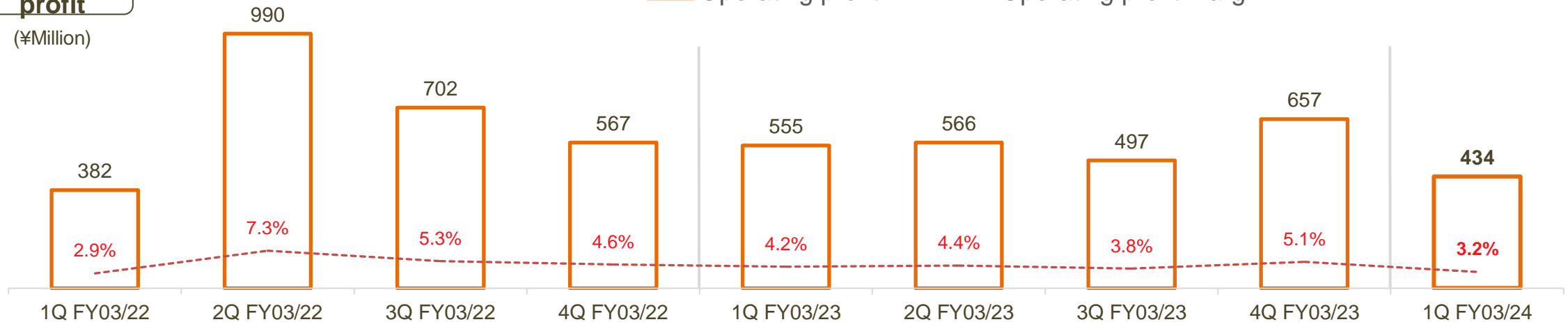
■ Contract FS ■ Medical FS ■ Other



## Operating profit

(¥Million)

▭ Operating profit - - - - Operating profit margin



# Vehicle Operation Services Business

■ Continued to achieve increases in sales and profits. In addition to the increase in the number of vehicles from the beginning of the fiscal year, the recovery in demand for overtime operations due to the normalization of economic activities contributed to sales increase, absorbing the impact of soaring fuel unit prices and of operating fewer extra buses.

(¥Million)	1Q FY03/23	1Q FY03/24	YoY	Difference
<b>Net sales</b>	<b>5,802</b>	<b>6,072</b>	<b>104.7%</b>	<b>+270</b>
(Executive vehicle management)	2,513	2,673	106.3%	+159
(General vehicle management)	2,395	2,489	103.9%	+93
(Passenger transport)	877	894	101.9%	+16
(Other)	15	15	101.1%	+0
<b>Operating profit</b>	<b>574</b>	<b>624</b>	<b>108.6%</b>	<b>+49</b>
Operating profit margin (%)	9.9%	10.3%	-	+0.4pt

## Major Positive/ Negative Factors

- (+) Increase of 105 vehicles from the end of the previous fiscal year
- (+) Profit contribution through recovery in other sales (overtime and holiday operations)
- (-) Impact of soaring fuel unit price
- (-) Decrease in the number of extra buses, which were operated during the COVID-19 pandemic

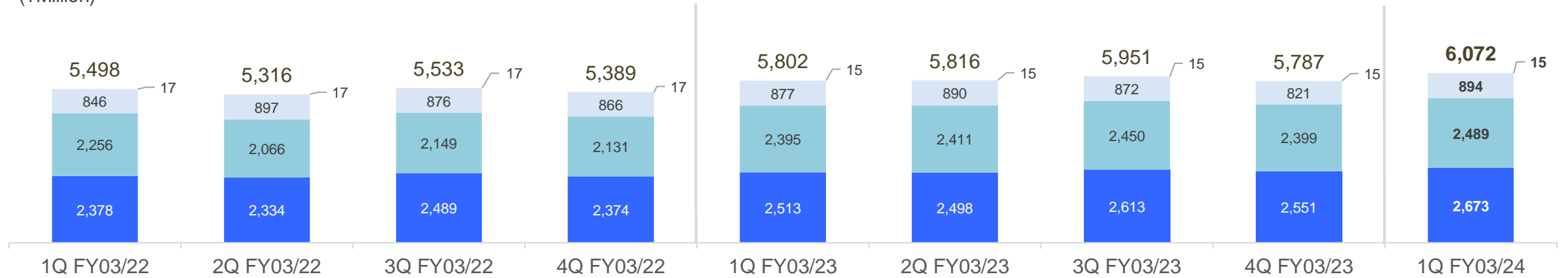
- Strengthen sales activities through web promotions and cross-selling, aiming to acquire orders for additional vehicles.
- Implementing recruitment measures to secure human resources

# Quarterly Trends: Vehicle Operation Services Business

**Net sales**

(¥Million)

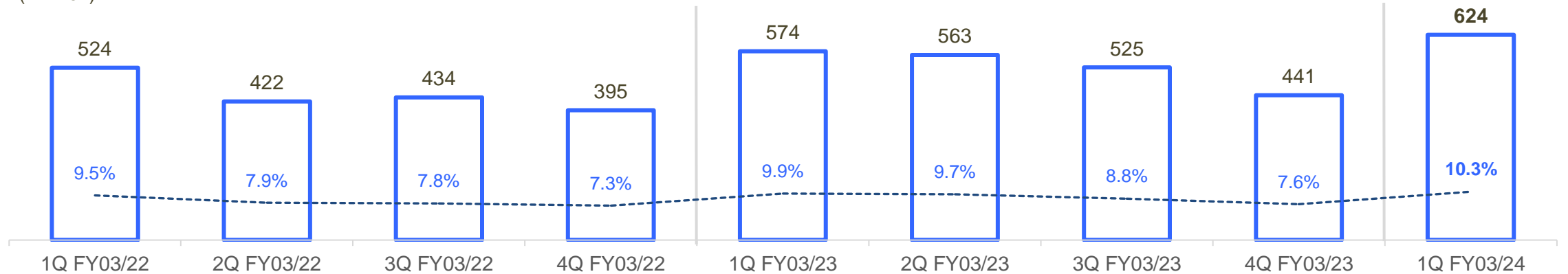
■ Executive vehicle management   ■ General vehicle management   ■ Passenger transport   ■ Other



**Operating profit**

(¥Million)

▭ Operating profit   - - - - Operating profit margin



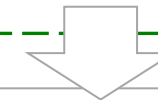
# Social Services Business

■ Continued strong performance with double-digit growth in net sales and operating profit largely due to expanded growth in after-school childcare services, and an increase in the number of libraries and other facilities operated under contract.

(¥Million)	1Q FY03/23	1Q FY03/24	YoY	Difference
<b>Net sales</b>	<b>10,306</b>	<b>11,672</b>	<b>113.3%</b>	<b>+1,366</b>
(Social services)	2,973	3,419	115.0%	+446
(After-school childcare services)	3,881	4,627	119.2%	+746
(Public school lunch services)	3,438	3,613	105.1%	+174
(Other)	12	11	90.6%	(1)
<b>Operating profit</b>	<b>718</b>	<b>802</b>	<b>111.7%</b>	<b>+84</b>
Operating profit margin (%)	7.0%	6.9%	-	(0.1)pt

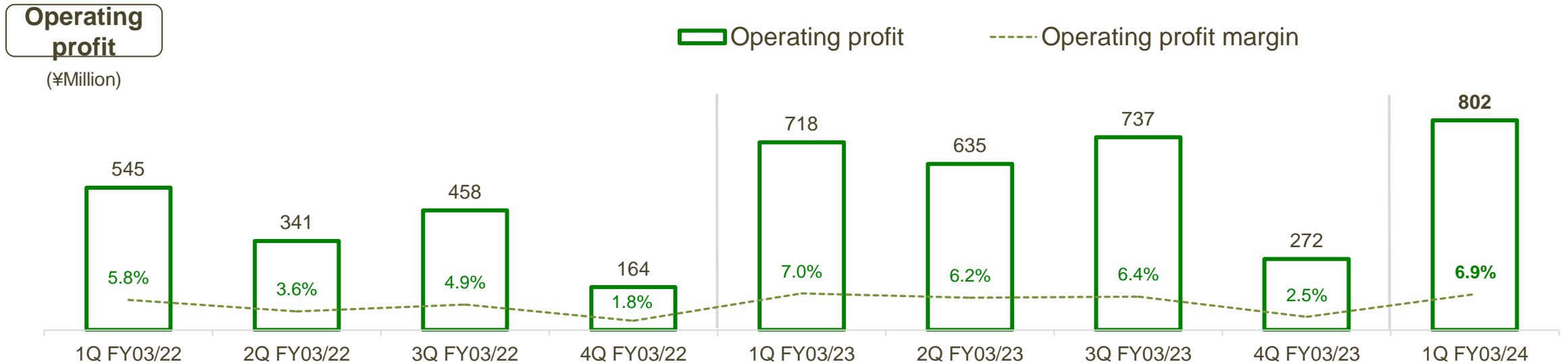
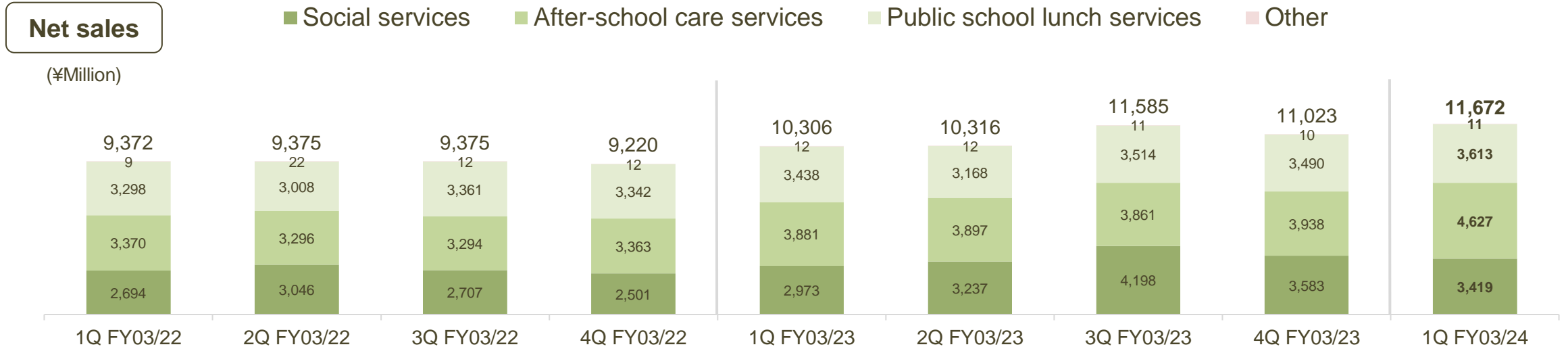
## Major Positive/ Negative Factors

- (+) Increase in the number of libraries and other facilities contracted
- (+) Increase of 256 after-school childcare centers (YoY)
- (+) Recovery in tourism and leisure demand
- (+) Increase in profit due to increase in the number of contracted facilities
- (-) Revision of minimum wages, impact of inflation



- Continue to focus on sales to local governments, such as developing roller sales
- Further improve facility convenience and operational efficiency

# Quarterly Trends: Social Services Business





# Reference Data

FY03/2023		Beginning	April	May	June	July	August	September	1H	October	November	December	January	February	March	End
No. of locations Contract FS	+		13	1	3	4	2	4	27	2	0	1	4	6	5	45
	-		8	2	1	5	7	1	24	2	3	0	3	6	31	69
	Total	1,056	1,061	1,060	1,062	1,061	1,056	1,059	1,059	1,059	1,056	1,057	1,058	1,058	1,032	1,032
No. of locations Medical FS	+		31	1	0	1	2	2	37	6	2	4	2	3	3	57
	-		0	2	1	0	0	1	4	2	8	1	1	7	19	42
	Total	738	769	768	767	768	770	771	771	775	769	772	773	769	753	753
No. of vehicles Vehicle operation services	+		309	17	23	17	23	13	402	19	19	18	23	17	6	504
	-		237	9	8	8	8	2	272	18	20	9	8	7	8	342
	Total	3,623	3,695	3,703	3,718	3,727	3,742	3,753	3,753	3,754	3,753	3,762	3,777	3,787	3,785	3,785
No. of staff Social services	+		939	351	333	983	743	337	3,686	136	149	433	63	254	1,907	6,628
	-		222	275	234	262	336	338	1,667	196	190	317	186	174	1,669	4,399
	Total	17,664	18,381	18,457	18,556	19,277	19,684	19,683	19,683	19,623	19,582	19,698	19,575	19,655	19,893	19,893

FY03/2024		Beginning	April	May	June	July	August	September	1H	October	November	December	January	February	March	End
No. of locations Contract FS	+		22	3	3				28							28
	-		2	3	2				7							7
	Total	1,032	1,052	1,052	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053	1,053
No. of locations Medical FS	+		25	2	3				30							30
	-		1	3	1				5							5
	Total	753	777	776	778	778	778	778	778	778	778	778	778	778	778	778
No. of vehicles Vehicle operation services	+		283	22	21				326							326
	-		202	15	4				221							221
	Total	3,785	3,866	3,873	3,890	3,890	3,890	3,890	3,890	3,890	3,890	3,890	3,890	3,890	3,890	3,890
No. of staff Social services	+		1,210	514	1,433				3,157							3,157
	-		309	233	247				789							789
	Total	19,893	20,794	21,075	22,261	22,261	22,261	22,261	22,261	22,261	22,261	22,261	22,261	22,261	22,261	22,261

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