

Results for the First Quarter of the Fiscal Year Ending March 2023

August 5, 2022

SHiDAX CORPORATION

(TSE Code:4837)



Consolidated Financial Results for Q1 FY3/23

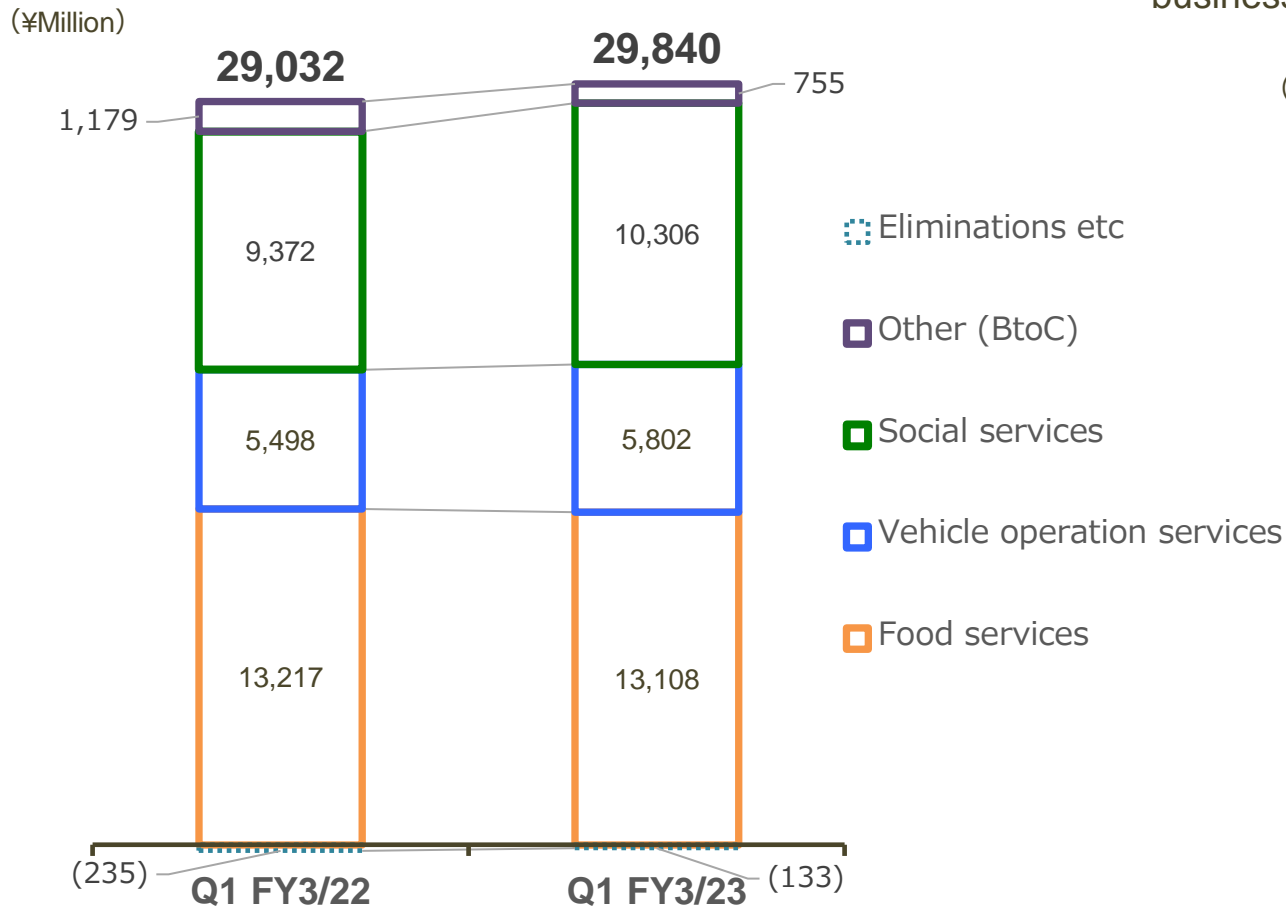
Overview of Consolidated Financial Results (April-June)

(¥Million)	Q1 FY3/22	Q1 FY3/23	YoY	Difference	Factors behind the change
Net Sales	29,032	29,840	102.8%	+807	Social services +933, Vehicle operation services +304, Other -423 (Withdrawal from BtoC business)
Gross Profit	3,670	4,261	116.1%	+590	[Sale cost ratio] Previous term: 87.4% This term: 85.7%
SGA	3,159	3,065	97.0%	(94)	
Operating Profit	510	1,195	234.1%	+685	Food services +172, Social services +173 Other +155 (Withdrawal from BtoC business)
Non-operating income	15	21	136.1%	+5	
Non-operating expenses	104	360	346.4%	+256	Miscellaneous losses such as fee for syndicated loans +190
Ordinary Profit	422	856	202.8%	+433	
Extraordinary income	59	157	265.2%	+97	
Extraordinary losses	114	5	5.1%	(108)	Previous term: Loss on sales of property, plant and equipment +92
Profit before income taxes	366	1,007	274.7%	+640	
Taxes/ Others	(164)	90	-	+255	Tax loss carry-forward
Profit attributable to owners of parent	531	917	172.5%	+385	

Net Sales and Operating Profit: YoY Comparison

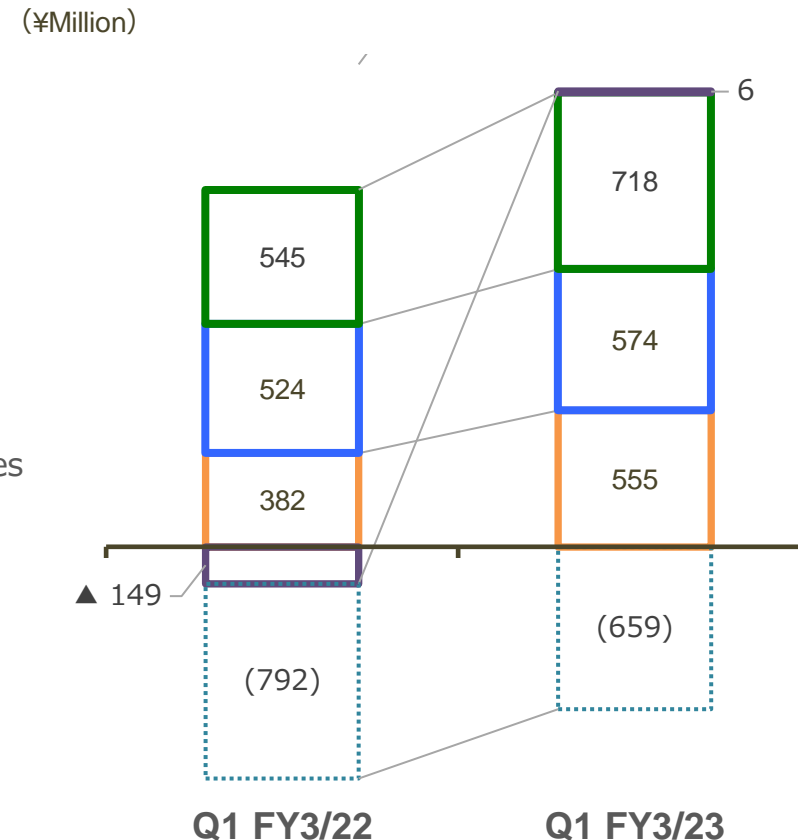
■ Net Sales

Net sales increased by ¥807 million, driven by Social services business continuing



■ Operating Profit

Operating profit increased by ¥685 million due to the impact of withdrawal from BtoC and the contribution of increased profits in all business segments. Operating margin increased from 1.8% to 4.0%



Financial Position

(¥Million)	As of March 31, 2022	As of June 30, 2022	Difference
Total assets	33,159	34,806	+1,647
Total liabilities	21,787	22,944	+1,157
Total net assets	11,371	11,861	+490
Interest-bearing debt	5,187	4,512	(675)
Net interest-bearing debt	(1,820)	(5,508)	(3,687)
D/E ratio (times)	0.46	0.39	(0.07)
Net D/E ratio (times)	(0.16)	(0.47)	(0.31)
Cash and cash equivalents	7,007	10,020	+3,012
Shareholders' equity ratio (%)	34.3	34.1	-0.2pt

Forecasts for Consolidated Earnings and Dividend

- No change to consolidated earnings and dividend forecasts announced on May 16, 2022

Despite progress exceeding the plan, the full-year forecast remained unchanged in light of the uncertain business environment in the future, including the re-expansion of COVID-19 and the impact of soaring raw material prices.

(¥Million)	FY3/22 Results	FY3/23 Forecast	YoY	Difference
Net Sales	115,525	120,000	103.9%	+4,474
Operating Profit	2,442	3,700	151.5%	+1,257
Ordinary Profit	2,292	3,200	139.6%	+907
Profit attributable to owners of parent*	4,089	2,200	53.8%	(1,889)
Dividend per share (yen)	5	10		+5

*The forecast is for a decrease in income, but this is attributable to the recording of an extraordinary gain of ¥3.408 million from the sale of assets in the previous fiscal year.



Summary by Business Segment

Summary of Financial Results by Business Segment

Segment	(¥Million)	Q1 FY3/22	Q1 FY3/23	YoY	Difference
Food services	Net Sales	13,217	13,108	99.2%	(108)
	Operating Profit	382	555	145.0%	+172
Vehicle operation services	Net Sales	5,498	5,802	105.5%	+304
	Operating Profit	524	574	109.6%	+50
Social services	Net Sales	9,372	10,306	110.0%	+933
	Operating Profit	545	718	131.9%	+173
Other	Net Sales	1,179	755	64.1%	(423)
	Operating Profit	(149)	6	-	+155
Eliminations, corporate-wide expenses, etc.	Net Sales	(235)	(133)	-	+101
	Operating Profit	(792)	(659)	-	+132
Total	Net Sales	29,032	29,840	102.8%	+807
	Operating Profit	510	1,195	234.1%	+685

Food Services Business

(Subsegment)	(¥Million)		
	Q1 FY3/22	Q1 FY3/23	Difference
Net Sales	13,217	13,108	(108)
Contract food services	5,268	5,244	(23)
Medical food services	7,656	7,710	+53
Other, intersegment transactions, etc.	292	154	(138)
Operating Profit	382	555	+172
Operating margin (%)	2.9%	4.2%	+1.3pt

Net sales: **Decrease of ¥108 million** (99.2% YoY)

(+) Increase of 35 client locations

(-) Weak sales at comparable locations due to lower eating rates

Operating profit: **Increased by ¥172 million** (145.0% YoY)

(+) Successful cost control by acquiring management know-how under the COVID-19 pandemic

(+) Increase in profit due to withdrawal from unprofitable locations

Vehicle Operation Services Business

(Subsegment)	(¥Million)		
	Q1 FY3/22	Q1 FY3/23	Difference
Net Sales	5,498	5,802	+304
Executive vehicle management	2,378	2,513	+135
General vehicle management	2,256	2,395	+139
Passenger transport	846	877	+31
Other, intersegment transactions, etc.	17	15	(2)
Operating Profit	524	574	+50
Operating margin (%)	9.5%	9.9%	+0.4pt

Net sales: **Increased by ¥304 million** (105.5% YoY)

- (+) Increase in the number of new vehicles contracted from the beginning of the period
- (+) Recovery in overtime and holiday operations of executive transportation vehicles
- (-) Sluggish demand for chartered buses

Operating profit: **Increase of ¥50 million** (109.6% YoY)

- (+) Improving profitability through recovery in other sales (overtime, holiday operations)
- (-) Impact of soaring fuel prices

Social Services Business

(Subsegment)	(¥Million)		
	Q1 FY3/22	Q1 FY3/23	Difference
Net Sales	9,372	10,306	+933
Social services	2,694	2,973	+279
After-school care services	3,370	3,881	+510
Public school lunch services	3,298	3,438	+140
Other, intersegment transactions, etc.	9	12	+2
Operating Profit	545	718	+173
Operating margin (%)	5.8%	7.0%	+1.2pt

Net sales: **Increased by ¥933 million** (110.0% YoY)
 (+) Increase in the number of libraries and other facilities contracted
 (+) Increase of 194 after-school care centers
 (+) Recovery in tourism and leisure demand

Operating Profit: **¥173 million increase** (131.9% YoY)
 (+) Recovery at tourist facilities as well as increase in the number of contracted facilities

Reference Data

FY3/2022		Beginning	April	May	June	July	August	September	1H	October	November	December	January	February	March	End
No. of locations Contract FS	+		12	2	3	2	0	2	21	2	2	3	4	0	0	32
	-		2	3	5	6	4	7	27	2	5	5	3	12	26	80
	Total	1,104	1,114	1,113	1,111	1,107	1,103	1,098	1,098	1,098	1,095	1,093	1,094	1,082	1,056	1,056
No. of locations Medical FS	+		33	2	0	7	0	1	43	3	2	0	3	2	4	57
	-		0	0	2	1	1	2	6	0	2	1	4	5	21	39
	Total	720	753	755	753	759	758	757	757	760	760	759	758	755	738	738
No. of vehicles Vehicle operation services	+		158	19	13	21	11	24	246	13	17	12	0	3	7	298
	-		136	39	9	16	15	11	226	13	5	7	7	7	0	265
	Total	3,590	3,612	3,592	3,596	3,601	3,597	3,610	3,610	3,610	3,622	3,627	3,620	3,616	3,623	3,623
No. of staff Social services	+		895	665	740	399	494	458	3,651	148	153	50	393	174	1,327	5,896
	-		248	209	225	203	274	385	1,544	270	254	186	303	183	1,223	3,963
	Total	15,731	16,378	16,834	17,349	17,545	17,765	17,838	17,838	17,716	17,615	17,479	17,569	17,560	17,664	17,664

FY3/2023		Beginning	April	May	June	July	August	September	1H	October	November	December	January	February	March	End
No. of locations Contract FS	+		13	1	3				17							17
	-		8	2	1				11							11
	Total	1,056	1,061	1,060	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062	1,062
No. of locations Medical FS	+		31	1	0				32							32
	-		0	2	1				3							3
	Total	738	769	768	767	767	767	767	767	767	767	767	767	767	767	767
No. of vehicles Vehicle operation services	+		309	17	23				349							349
	-		237	9	8				254							254
	Total	3,623	3,695	3,703	3,718	3,718	3,718	3,718	3,718	3,718	3,718	3,718	3,718	3,718	3,718	3,718
No. of staff Social services	+		939	351	333				1,623							1,623
	-		222	275	234				731							731
	Total	17,664	18,381	18,457	18,556	18,556	18,556	18,556	18,556	18,556	18,556	18,556	18,556	18,556	18,556	18,556

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