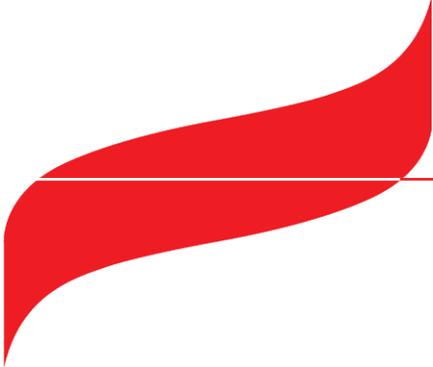


Results for the Third Quarter of the Fiscal Year Ending March 2023

February 10, 2023

SHiDAX CORPORATION

(TSE Code:4837)



Consolidated Financial Results for 1-3Q FY3/23

Overview of Consolidated Financial Results (April-December)

(¥Million)	Q3 FY3/22	Q3 FY3/23	YoY	Difference	Factors behind the change
Net Sales	87,622	90,860	103.7%	+3,237	Social services +4,084, Vehicle operation services +1,223, Other -1,483 (Withdrawal from BtoC business)
Gross Profit	11,417	12,685	111.1%	+1,268	[Sale cost ratio] Previous term: 87.0% This term: 86.0%
SGA	9,192	9,045	98.4%	(147)	
Operating Profit	2,224	3,640	163.7%	+1,415	Social services +747, Other +509 (Withdrawal from BtoC business), Food services -456
Non-operating income	217	203	93.7%	(13)	
Non-operating expenses	229	389	169.6%	+159	Miscellaneous losses such as fee for syndicated loans +185
Ordinary Profit	2,211	3,454	156.2%	+1,242	
Extraordinary income	3,627	264	7.3%	(3,362)	Previous term: Gain on sales of noncurrent assets 3,406
Extraordinary losses	811	76	9.4%	(734)	
Profit before income taxes	5,027	3,642	72.5%	(1,385)	
Taxes/ Others	578	869	150.3%	+290	Tax loss carry-forward
Profit attributable to owners of parent	4,449	2,773	62.3%	(1,675)	

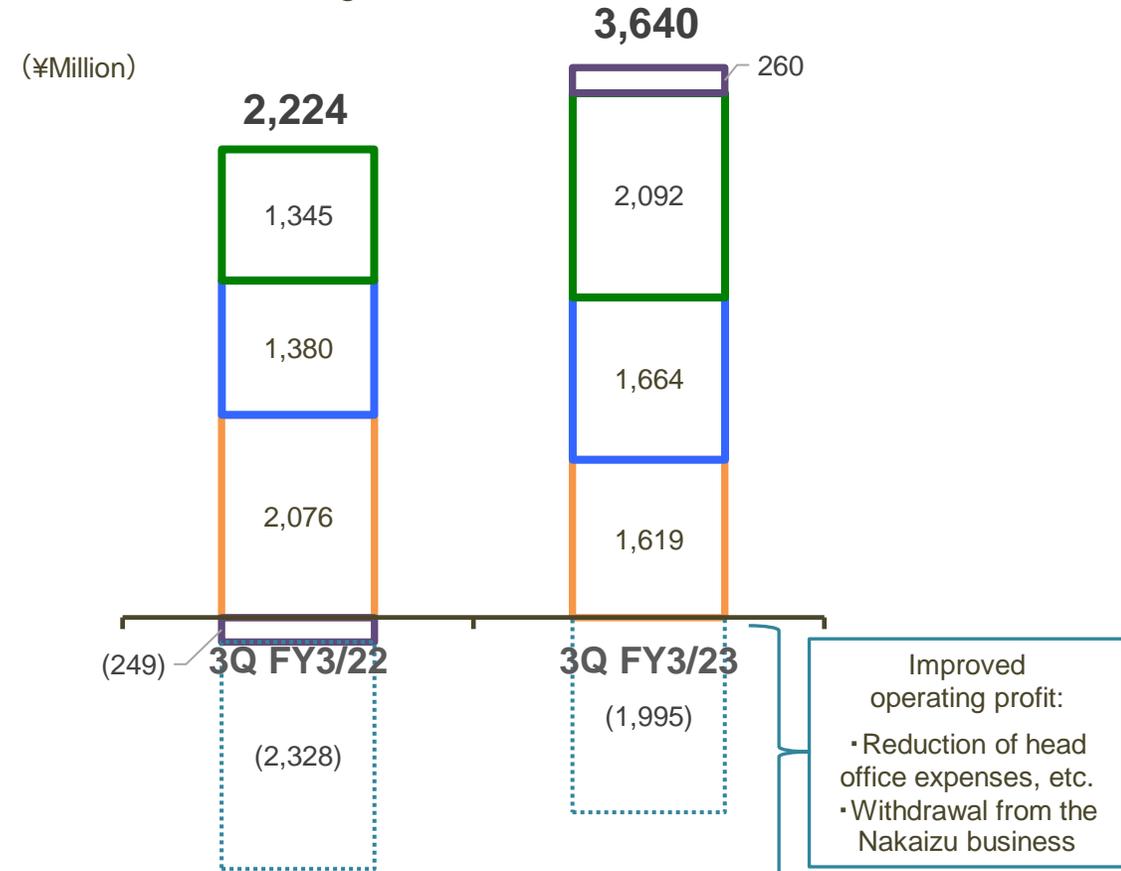
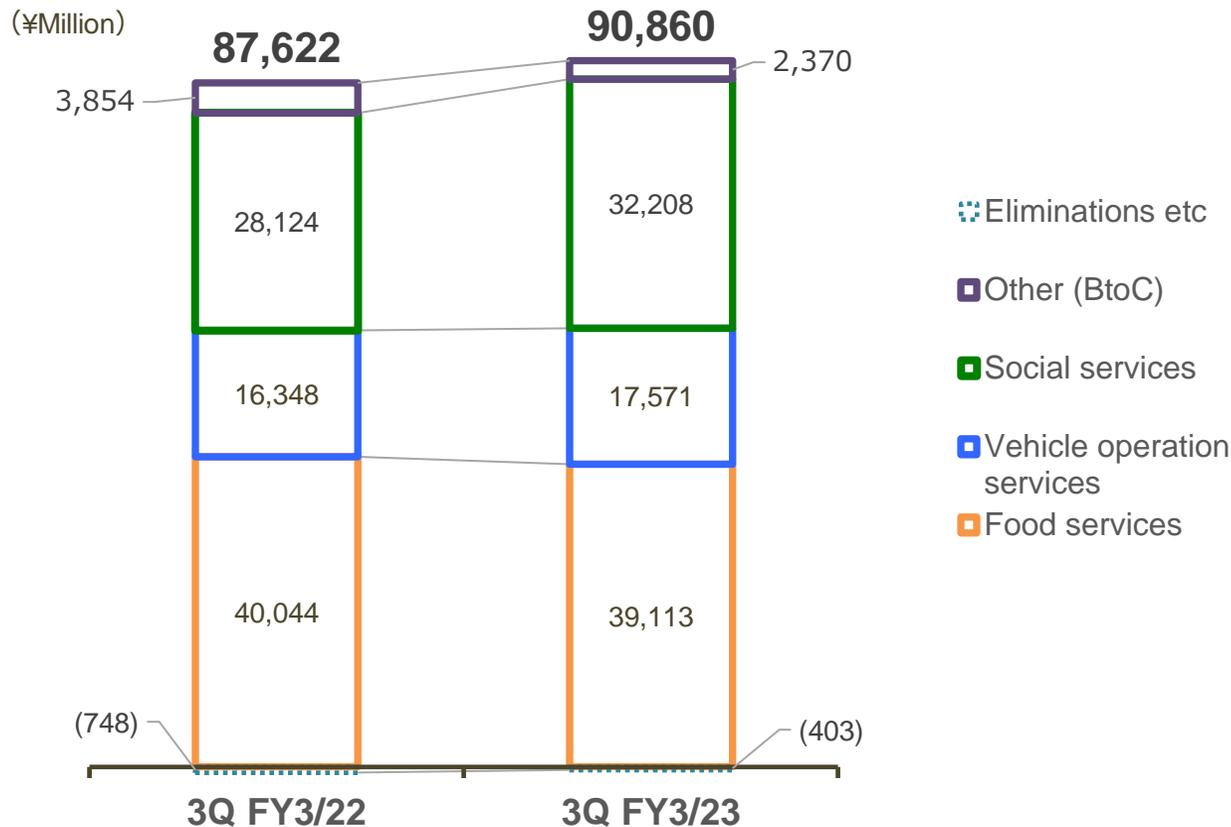
Net Sales and Operating Profit: YoY Comparison

■ Net Sales

Social services made a big leap, **increasing net sales by ¥3.237 billion**. Decrease in "Others" due to withdrawal from BtoC business, etc.

■ Operating Profit

Profit increased by ¥1.415 billion as vehicle operation services and social services covered food services affected by the 7th and 8th waves of COVID-19 infections. Operating margin increased from 2.5% to 4.0% due to the effects of management reforms



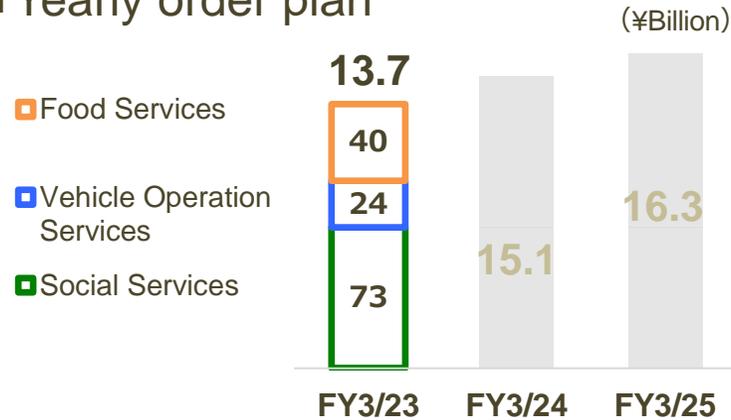
B/S Summary

(¥Million)	As of March 31, 2022	As of December 31, 2022	Difference
Total assets	33,159	33,238	+78
Total liabilities	21,787	22,068	+281
Total net assets	11,371	11,169	(202)
Interest-bearing debt	5,187	3,756	(1,431)
Net interest-bearing debt	(1,820)	(3,782)	(1,961)
D/E ratio (times)	0.46	0.34	(0.12)
Net D/E ratio (times)	(0.16)	(0.34)	(0.18)
Cash and cash equivalents	7,007	7,538	+530
Shareholders' equity ratio (%)	34.3	33.6	(0.7)pt

Interest-bearing debt steadily decreased, resulting in net cash of 3,782 million yen

New Contract Order Status

Yearly order plan



* Since most of the orders, such as bids from local governments, are received in the second half of the year, **the percentage of orders** received in the first half is small and **is heavily weighted toward the second half**.

First half: Focused on strategic preparations such as building a sales structure

Second half: Started full-scale sales activities toward the "13.7 billion yen" yearly order plan. We will further strengthen sales development and cross-selling that leverage the Group's strengths, such as expertise in 500 types of outsourced operations, with the aim of achieving the order plan, which is the "cornerstone" of our medium-term management plan.

3Q Progress: Orders received at a steady pace higher than in the previous fiscal year

Segment	Unit	YoY change	Situation in the first half
<u>Food Services</u>	Net sales	122%	<ul style="list-style-type: none"> Progress in Contract FS division was solid, but Medical FS division remained weak → Organizational reforms in the Sales division, thoroughly strengthening sales development capabilities, and last-surts by digging up projects
<u>Vehicle Operation Services</u>	No. of vehicles	123%	<ul style="list-style-type: none"> Orders for additional vehicles during the period were strong and progressed as planned → The effects of establishing dedicated sales staff and strengthening web promotions are evident. Will continue to promote the expansion of new sales.
<u>Social Services</u>	Net Sales	153%	<ul style="list-style-type: none"> Achieved its fiscal year plan, and after-school childcare services and public school lunch services also performed well → Focused on responding to bidding peaks, planned to create opportunities by targeted roller sales and continuing visits

Forecasts for Consolidated Earnings and Dividend

- Based on recent favorable performance trends and other factors, we have revised upward our consolidated earnings forecast announced on May 16, 2022.

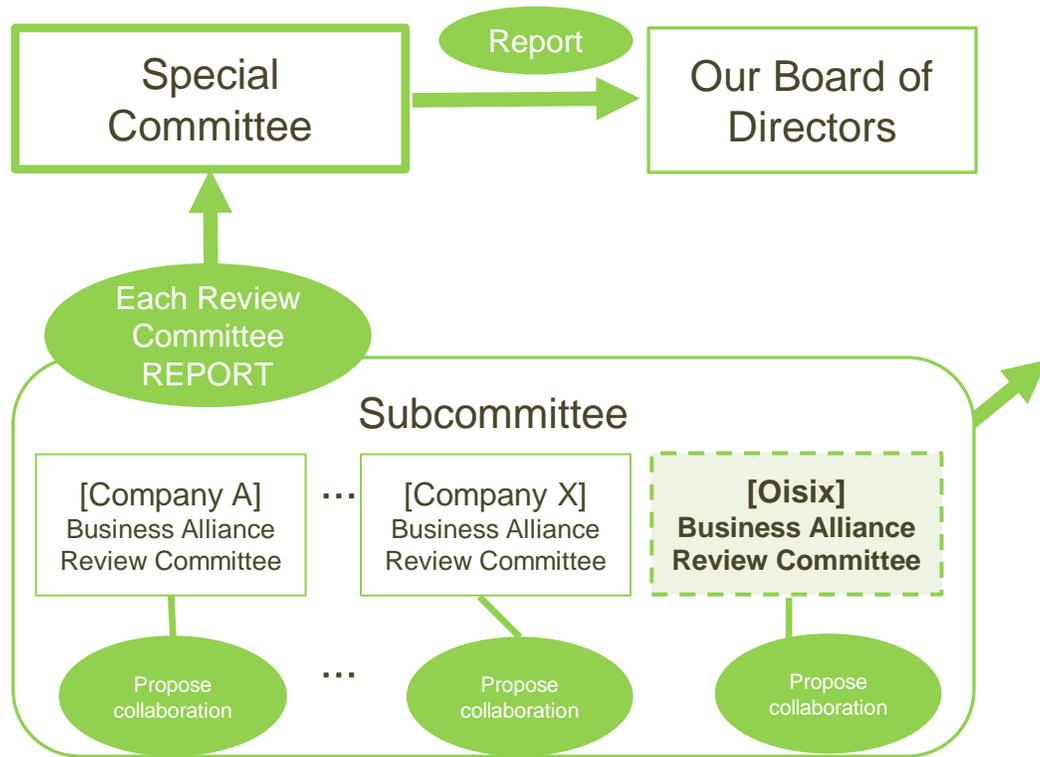
(¥Million)	FY3/22 Results	FY3/23 Previous Forecast	FY3/23 Current Forecast	Difference	YoY
Net Sales	115,525	120,000	120,000	-	-
Operating Profit	2,442	3,700	3,900	+200	+5.4%
Ordinary Profit	2,292	3,200	3,700	+500	+15.6%
Profit attributable to owners of parent*	4,089	2,200	3,100	+900	+40.9%
Dividend per share (yen)	5	10	10	-	-

*The forecast is for a decrease in profit, but this is due to the recording of an extraordinary gain of ¥3,408 million from the sale of assets in the previous fiscal year.

Note: The above forecasts are based on information available as of the date of publication of this document. Actual results may differ from these forecasts due to various factors in the future.

Toward Consideration of Collaboration in Food Service-Related Businesses

- The Special Committee was established as a framework for fair consideration of collaboration in food-related businesses
- The "Business Alliance Review Committee" discusses collaboration with Oisix that does not involve a capital change



Oisix ra daichi ✕ **SHIDAX**

Consideration phase

- (1) Improving productivity and creating high added value at food service sites
- (2) Enhancement of added value in the area of sustainability
- (3) Joint procurement and delivery of food materials
- (4) Expansion into the BtoBtoC domain

Extensive consideration of specific collaborative proposals, focusing on 4 directions

Execution phase

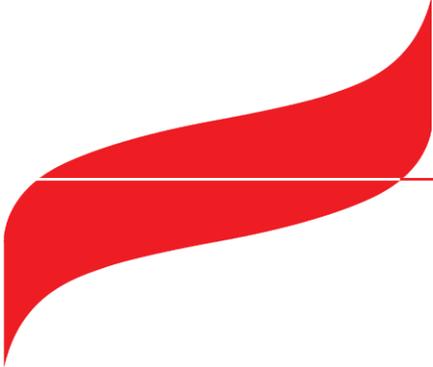
As a first step, we began collaborating on the above (1) in the medical food service field, such as daycare centers and elderly facilities, which are growth areas.

[Creation of high added value] Differentiation from other companies by incorporating meal kits supervised by famous restaurants and chefs into menus and providing restaurant-like meals easily.

[Improvement of productivity] Reduction of the workload of on-site operations with meal kits and fully-cooked foods for business use, which are expected to be a countermeasure against "difficulty in securing human resources," a key issue in the food service market.



Test marketing scheduled to launch in the first half of the next fiscal year. Launched a joint working team to move quickly to action



Summary by Business Segment

Summary of Financial Results by Business Segment

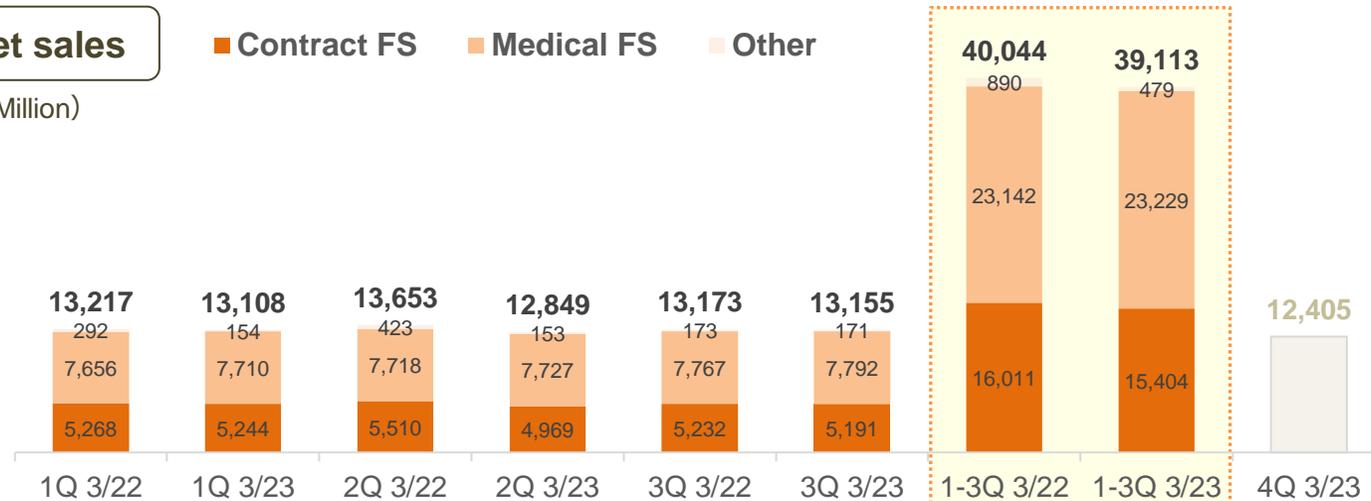
Segment	(¥Million)	Q3 FY3/22	Q3 FY3/23	YoY	Difference
Food services	Net Sales	40,044	39,113	97.7%	(931)
	Operating Profit	2,076	1,619	78.0%	(456)
Vehicle operation services	Net Sales	16,348	17,571	107.5%	+1,223
	Operating Profit	1,380	1,664	120.5%	+283
Social services	Net Sales	28,124	32,208	114.5%	+4,084
	Operating Profit	1,345	2,092	155.5%	+747
Others	Net Sales	3,854	2,370	61.5%	(1,483)
	Operating Profit	(249)	260	-	+509
Eliminations, corporate-wide expenses, etc.	Net Sales	(748)	(403)	-	+344
	Operating Profit	(2,328)	(1,995)	-	+332
Total	Net Sales	87,622	90,860	103.7%	+3,237
	Operating Profit	2,224	3,640	163.7%	+1,415

Food Services Business

Net sales

(¥Million)

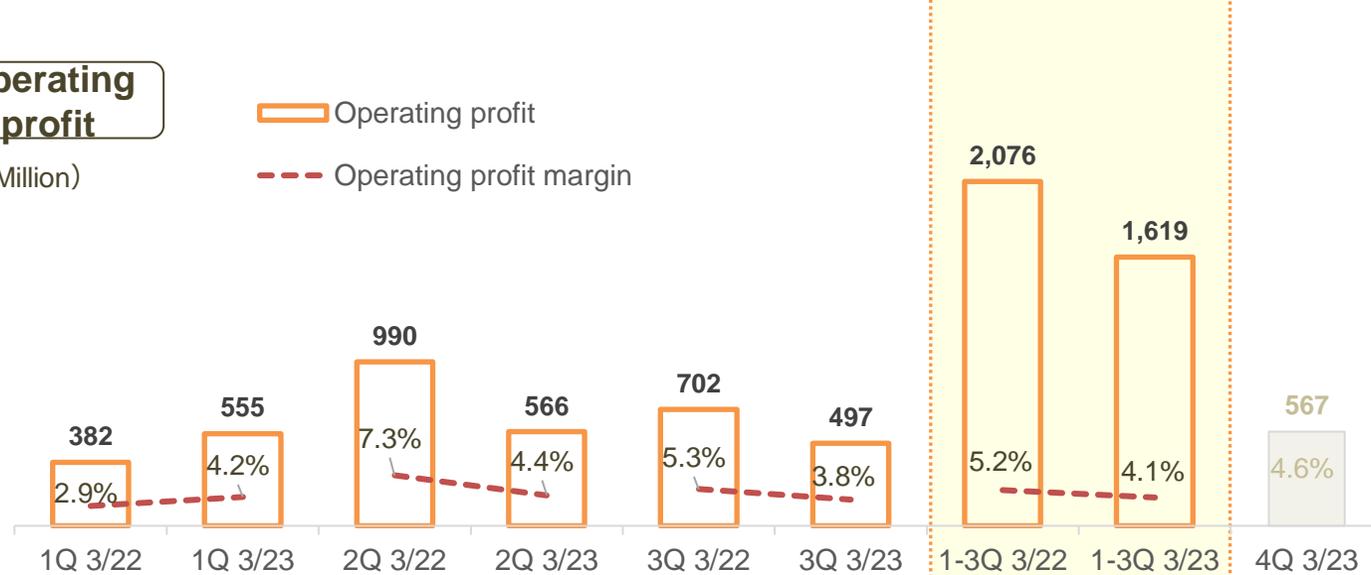
■ Contract FS ■ Medical FS ■ Other



Operating profit

(¥Million)

▭ Operating profit
- - - Operating profit margin



Net sales: **Decrease of ¥931 million** (97.7% YoY)

Operating profit: **Decreased by ¥456 million**
(78.0% YoY)

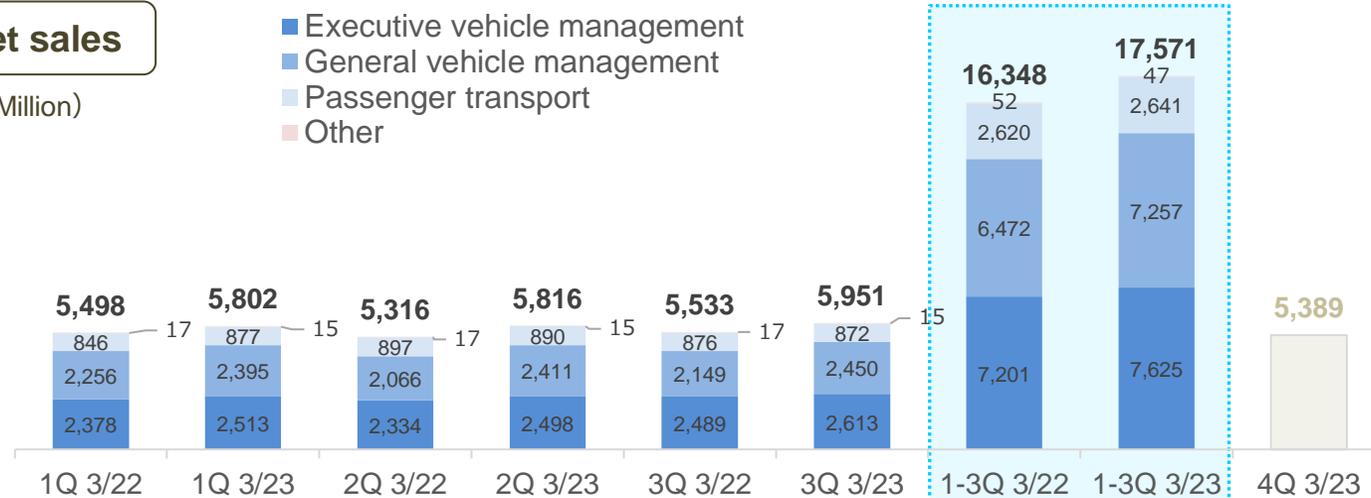
- (+) Increase of 35 client locations
- (+) Successful cost control by acquiring management know-how under the COVID-19 pandemic
- (+) Effect of withdrawal from unprofitable locations
- (-) Impact of the 7th and 8th waves of COVID-19 infections (decrease in sales due to a decrease in hospital beds and deterioration in labor costs related to facility operations)
- (-) Soaring raw material prices
- (-) Drop in demand for spot events in 2Q of the previous fiscal year

Vehicle Operation Services Business

Net sales

(¥Million)

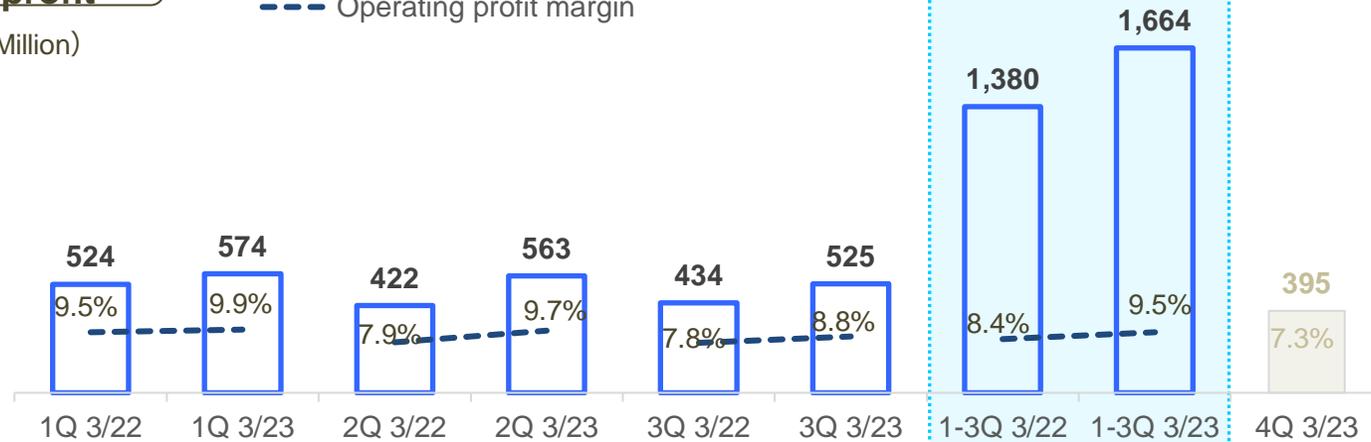
- Executive vehicle management
- General vehicle management
- Passenger transport
- Other



Operating profit

(¥Million)

- ▭ Operating profit
- - - Operating profit margin



Net sales: **Increased by ¥1,223 million** (107.5% YoY)

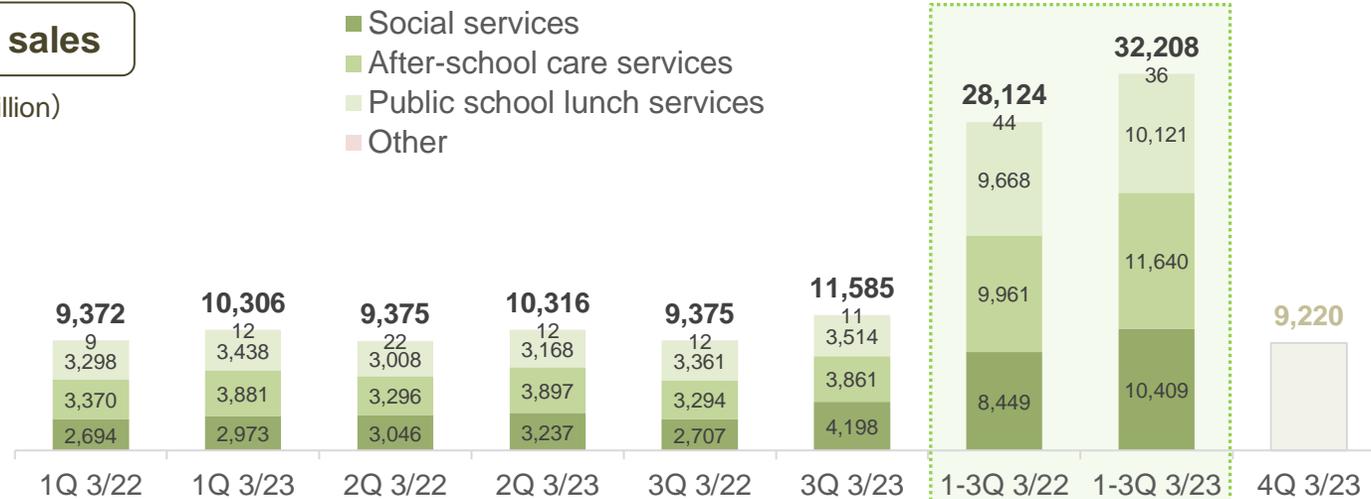
Operating profit: **Increase of ¥283 million** (120.5% YoY)

- (+) Increase in the number of new vehicles contracted from the beginning of the period
- (+) Recovery in overtime and holiday operations of executive transportation vehicles
- (+) Improving profitability through recovery in other sales (overtime, holiday operations)
- (-) Sluggish demand for chartered buses
- (-) Impact of soaring fuel prices

Social Services Business

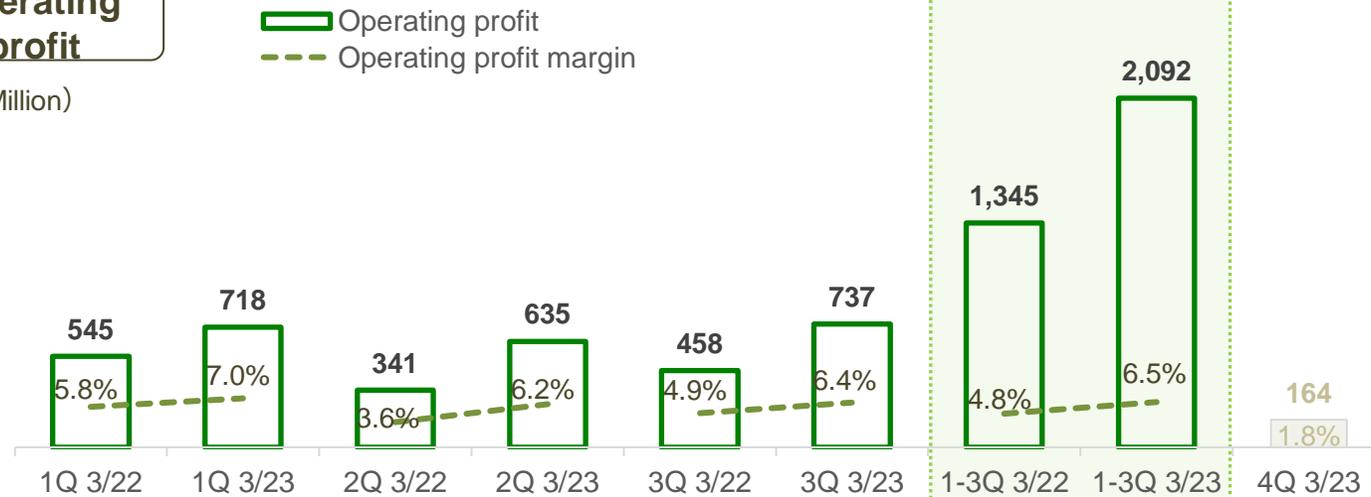
Net sales

(¥Million)



Operating profit

(¥Million)



Net sales: **Increased by ¥4,084 million** (114.5% YoY)

Operating Profit: **¥747 million increase** (155.5% YoY)

- (+) Increase in the number of libraries and other facilities contracted
- (+) Increase of 194 after-school care centers
- (+) Increase of new orders for COVID-19-related operations
- (+) 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

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	4	2	4	27	2	0	1				30
	-		8	2	1	5	7	1	24	2	3	0				29
	Total	1,056	1,061	1,060	1,062	1,061	1,056	1,059	1,059	1,059	1,056	1,057	1,057	1,057	1,057	1,057
No. of locations Medical FS	+		31	1	0	1	2	2	37	6	2	4				49
	-		0	2	1	0	0	1	4	2	8	1				15
	Total	738	769	768	767	768	770	771	771	775	769	772	772	772	772	772
No. of vehicles Vehicle operation services	+		309	17	23	17	23	13	402	19	19	18				458
	-		237	9	8	8	8	2	272	18	20	9				319
	Total	3,623	3,695	3,703	3,718	3,727	3,742	3,753	3,753	3,754	3,753	3,762	3,762	3,762	3,762	3,762
No. of staff Social services	+		939	351	333	983	743	337	3,686	136	149	433				4,404
	-		222	275	234	262	336	338	1,667	196	190	317				2,370
	Total	17,664	18,381	18,457	18,556	19,277	19,684	19,683	19,683	19,623	19,582	19,698	19,698	19,698	19,698	19,698

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