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## Consolidated Financial Results for the Three Months Ended June 30, 2022 (Japanese GAAP)

August 5, 2022

Company name: SHiDAX CORPORATION  
 Listing Stock Exchange: Tokyo  
 Stock code: 4837  
 URL: <https://www.shidax.co.jp/>  
 Representative: Kinichi Shida, President and Chairman of the Board of Directors  
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 Scheduled date to file quarterly securities report: August 9, 2022 (in Japanese)  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on quarterly financial results: Yes  
 Quarterly financial results briefing to be held: None

(Amounts less than one million yen are rounded down)

### 1. Consolidated Financial Results for the three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

#### (1) Consolidated operating results

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2022	29,840	2.8	1,195	134.1	856	102.8	917	72.5
June 30, 2021	29,032	11.8	510	-	422	-	531	-

Note: Comprehensive income for the three months ended June 30, 2022: 1,009 million yen (89.3%)  
 Comprehensive income for the three months ended June 30, 2021: 533 million yen (-)

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
June 30, 2022	23.00	16.79
June 30, 2021	13.33	9.73

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	yen
As of				
June 30, 2022	34,806	11,861	34.1	132.46
March 31, 2022	33,159	11,371	34.3	114.15

Reference: Equity capital as June 30, 2022: 11,861 million yen  
 Equity capital as of March 31, 2022: 11,371 million yen

## 2. Cash Dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	0.00	-	5.00	5.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (forecast)		0.00	-	10.00	10.00

Note:

1. Revisions to the forecast of cash dividends most recently announced: None
2. The above “Cash Dividends” refers to dividends on common shares. Please refer to “Dividends on Class Shares” mentioned below, for information on dividends on class shares (unlisted) which have different rights from common shares.

## 3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Percentages indicate year-on-year changes)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full-year	120,000	3.9	3,700	51.5	3,200	39.6	2,200	-46.2	40.24

Note: Revisions to the forecast of consolidated earnings most recently announced: None

## Notes

(1) Changes in significant subsidiaries during the period under review (Transfers of specified subsidiaries resulting in changes in the Company's scope of consolidation): Yes

Newly included: -

Excluded: 1 company (SHiDAX NAKAIZU WINERY HILLS CORPORATION)

(2) Distinctive accounting treatment methods applied to prepare quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates and retrospective restatement

(i) Accounting policy changes due to accounting standard revisions, etc.: None

(ii) Other accounting policy change: None

(iii) Changes in accounting estimates: None

(iv) Retrospective restatement: None

(4) Number of shares outstanding (common shares)

(i) Shares outstanding (including treasury shares)

As of June 30, 2022	40,929,162 shares
As of March 31, 2022	40,929,162 shares

(ii) Treasury shares outstanding

As of June 30, 2022	1,052,894 shares
As of March 31, 2022	1,052,858 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2022	39,876,297 shares
Three months ended June 30, 2021	39,876,416 shares

\*Summaries of quarterly financial statements are not subject to quarterly review by certified public accountants or auditing corporations.

\*Appropriate use of earnings forecast and other special notes

(Notice on forward-looking statements, etc.)

The earnings forecasts and other forward-looking statements herein are based on information currently available to us and certain assumptions that we believe to be reasonable. Actual results may differ significantly from these forecasts due to various reasons.

(How to access supplementary materials for financial results)

The Company holds the second quarter and year-end financial results briefings for analysts and institutional investors. The presentation materials distributed during these briefings in the past are available on the Company's website at:

<https://www.shidax.co.jp/corporate/ir/>

## Dividends on Class Shares

The breakdown of cash dividends per share related to class shares, which have different rights from common shares, is as follows.

(Class B preferred shares)

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	-	-	-	30,000.00	30,000.00
Fiscal year ending March 31, 2023	-				
Fiscal year ending March 31, 2023 (forecast)		-	-	30,000.00	30,000.00

Note: Revisions to the forecast of cash dividends most recently announced: None

**Accompanying Materials: Contents**

1. Qualitative Information on Quarterly Financial Performance.....2  
    (1) Explanation of Operating Results.....2  
    (2) Explanation of Financial Position.....5  
    (3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Statements.....5

2. Quarterly Consolidated Financial Statements and Primary Notes.....6  
    (1) Quarterly Consolidated Balance Sheets.....6  
    (2) Quarterly Consolidated Statements of Income and Comprehensive Income.....8  
        Consolidated Statements of Income for the Three Months of the Current Fiscal Year.....8  
        Consolidated Statements of Comprehensive Income for the Three Months of the Current Fiscal Year .....9  
    (3) Notes to Quarterly Consolidated Financial Statements.....10  
        (Segment information, etc.) .....10

## 1. Qualitative Information on Quarterly Financial Performance

### (1) Explanation of Operating Results

The business environment surrounding the SHiDAX Group is undergoing a period of major change, in which the Group is faced with the need to address the accumulated social issues, such as labor shortages caused by the declining birthrate and aging population and lifestyle changes caused by the continued intermittent spread of COVID-19.

In such an environment, the SHiDAX Group formulated a new management philosophy "Mission, Vision, Value (MVV)," starting from the fiscal year ending March 31, 2023. Under the mission of "to cooperatively establish an era of "safety," "security," and "smiles" as we strive to create a better society for future generations," we formulated a medium-term management plan "Re-Growth 2025" looking ahead to further growth in the three years until the fiscal year ending March 31, 2025, and we made a fresh start toward achieving our major goals.

During the consolidated cumulative first quarter under review, economic and social activities moved toward normalization, but the impact of soaring raw material prices continued. During the COVID-19 pandemic, we have aggressively promoted cross-selling activities and management streamlining, while continuing to implement efficient management know-how and operations.

As a result, the Group has performed strongly, achieving an increase in both sales and profits which included doubling of operating profit.

<Consolidated results>

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022	Year on year Amount	Year on year %
Net sales	29,032	29,840	807	102.8%
Operating profit	510	1,195	685	234.1%
Ordinary profit	422	856	433	202.8%
Profit attributable to owners of parent	531	917	385	172.5%

<Consolidated results by segment>

(Millions of yen)

	Net sales			Operating profit		
	Three months ended June 30, 2022	Year on year Amount	Year on year %	Three months ended June 30, 2022	Year on year Amount	Year on year %
Food services business	13,108	(108)	99.2%	555	172	145.0%
Vehicle operation services business	5,802	304	105.5%	574	50	109.6%
Social services business	10,306	933	110.0%	718	173	131.9%
Other	755	(423)	64.1%	6	155	—
Eliminations/ Corporate-wide expenses	(133)	101	—	(659)	132	—
Total	29,840	807	102.8%	1,195	685	234.1%

(Food services business)

The business environment remained challenging due to intensifying competition from major competitors in the same industry, soaring raw material prices, chronic labor shortages at meal service facilities, and the impact of the prolonged COVID-19 pandemic.

The Contract Food Services Division, which focuses on in-company cafeterias, saw a gradual return in the number of meals consumed, mainly in the offices and factories, while many clients were adopting new ways of working in line with the government's recommended new normal lifestyles, such as remote working, and expectations for new meal services at workplaces are increasing. Under these circumstances, to address the decrease in the number of meals due to the introduction of new meal services and the increase in people working from home, we developed low-cost operation models and actively implemented proposal activities.

The Medical Food Services Division, which mainly serves hospitals and elderly facilities, provided "Yawaraka Mother Food," soft food for seniors that are easy to chew and swallow, prepared at our Central Kitchen, and held the "Okinawa Menu Fair," a new event for all of our food service facilities. Furthermore, the Division promoted activities to increase customer satisfaction by actively offering "new meal proposals" that cater to the new normal lifestyles of clients, such as storing frozen boxed lunches in preparation for emergencies.

In addition to these initiatives, we focused on countermeasures against soaring raw material prices and acquiring new contracts with an enhanced awareness of operating efficiency. As a result, operating profit increased significantly from the effects of activating sluggish facilities and withdrawing from loss-making facilities, although net sales remained at the previous year's level.

(Vehicle operation services business)

Private corporations continued to outsource their non-core functions, especially their vehicle operation management of executive transportation vehicles and employee shuttle buses. In local governments, for fiscal reconstruction and regional revitalization, needs are growing for the development of new transportation systems and school buses due to consolidations and closures of schools. Although the increasing trend of outsourcing has remained unchanged since 2020, the spread of COVID-19 caused a decrease in socioeconomic activities, as well as a reduction in operating hours and days of executive transportation vehicles and a suspension of shuttle bus services due to facility closures. Furthermore, the rise in fuel unit prices, which pushes up costs, and the disappearance of inbound demand due to the impact of COVID-19 have continued.

Under such circumstances, the Executive Vehicle Management Division and the General Vehicle Management Division have made new proposals to cultivate new demand, such as encouraging the use of vehicles as a means of commuting and increasing the frequency of employee shuttle bus services to avoid close contact between passengers. At the same time, we focused our efforts on promoting cross-selling and making proposals for on-demand bus systems and school buses to strengthen sales activities targeting public corporations, which were expected to generate stable earnings, and also strengthened our website promotion and sales systems. As a result, we have succeeded in winning new orders, including those that started in the period under review.

In the Passenger Transport Division, we have switched our operations to those under fixed-term contracts, such as transportation of factory and warehouse employees and school buses, to stabilize the sales structure.

As a result, both sales and profits increased due to the steady rise in the number of new vehicles, the extension of operating hours, and the recovery trend in holiday operations following the resumption of economic activities.

(Social services business)

The government is continuing its regional revitalization policy despite the impact of the COVID-19 pandemic, while there is an increasing need among local governments to outsource their services to the private sector in order to restore their fiscal health and to revitalize regions. In addition to the integration of facilities aimed at efficient resident services, the increasing cost of administrative services and the labor shortage due to the declining birthrate and aging population are the driving forces behind the expansion of the outsourcing market for administrative services.

In this environment, in our services provided under contracts with after-school care centers, children's centers and parenting support centers as our key growth drivers, the number of contracted facilities continued to increase significantly with 194 new after-school care centers from local governments nationwide, and we also focused on content development that utilizes our accumulated know-how to meet diversified child-rearing needs. In contracted services for facilities management, library operations, and public school lunches, we also won contracts from many local governments, and steady operations have continued after the service launches. Despite the impact of the COVID-19 pandemic, which led to a decrease in the number of users and closures of some facilities, we achieved double-digit growth for both net sales and operating profit due to improved profitability through efficient cost control, as well as the acquisition of contracts for the operations of mass vaccination sites.

(Initiatives for ESG and SDGs)

The SHiDAX Group has been addressing social and governance issues and challenges, including responses to global environmental problems, work-style reforms with due consideration for working conditions and human rights, improving customer satisfaction, and contributing to local communities in order to meet the demands of various stakeholders for ESG (Environment, Social, and Governance) practices, and also to implement management and business reforms that utilize DX (Digital Transformation). In October 2021, we established the SDGs Committee, aiming to contribute to the achievement of the SDGs through our business activities, while working to achieve our management philosophy, goals, and strategies. In November 2021, the Company disclosed its "Value Creation Story," in which we link sustainability (SDGs) in particular to corporate governance and explain our commitment to the promotion of SDGs management with a focus on human resources, the environment, urban development, and safety and security, while being mindful of the Company's history and DNA.

The core of the SHiDAX Group's business is to nurture happiness by providing customers and business partners with the value of security, safety, and smiles created by employees. We develop the potential of each of our employees, while ensuring gender equality and diversity, and we are contributing to the creation of a sustainable society as a "company that solves social issues by nurturing people and maximizing happiness." At the SDGs Committee meeting in May 2022, we established the SDGs management policy as follows: Under the mission of "to cooperatively establish an era of "safety," "security," and "smiles" as we strive to create a better society for future generations," we aim to achieve Creating Shared Value (CSV), a virtuous cycle of social and economic value, by taking the approach of increasing productivity through investing in employee engagement, returning the results of this, and promoting innovation through collaborative creation with customers and partner companies.

The SHiDAX Group is committed to establishing competitive advantages through its business activities, strengthening its business foundation, and returning profits widely to people, society, the environment, and shareholders.

(Examples of ESG and SDGs activities)

The SHiDAX Group conducted a demonstration experiment on autonomous driving on public roads in Tsushima City on May 19, 2022, as part of a joint research project with Tsushima City, Nagasaki Prefecture and Meiji University's Institute of Autonomous Driving (MIAD). In the joint research on autonomous driving between the Company, Tsushima City, and MIAD, an experimental vehicle developed by MIAD and owned by the Company was leased to Tsushima City. In 2021, the Company concluded a "Partnership Agreement on Sustainable Island Development" with Tsushima City, and one of our resident employees dispatched under the Regional Revitalization Entrepreneur Support Project\* participated in the experiment as a supervisory staff member together with Tsushima City officials. This demonstration experiment aims to acquire knowledge and operation know-how on autonomous driving technologies in regional transportation for the future in cooperation with the local government.

In addition, since June 2022, Shidax Contract Food Service Corporation, our business subsidiary, has been strengthening its health support services, not limited to the use of cafeterias, for customers of the company and school cafeterias it operates under contracts nationwide by providing nutrition-related information and advice and healthcare apps that enable daily health management. Due to the impact of COVID-19, people have become more aware of the importance of daily health management, and telecommuting and online classes have become commonplace. It has become quite common for companies to conduct health management and the number of companies certified under the "Excellent Health Management Corporation" certification system by the Ministry of Economy, Trade and Industry (METI) is increasing each year.

Going forward, the SHiDAX Group will continue to strengthen partnerships with customers and business partners by utilizing the SDGs through its business activities, aiming for sustainable growth in the areas of health, sustainable urban development, carbon neutrality, and work-style reforms.

(Initiatives for health management)

In order to promote health management within the SHiDAX Group, we have established a cross-functional Health Management Promotion Project to support the maintenance and promotion of employees' health, and in March 2022, we were certified as an Excellent Health Management Corporation (Large Corporation Category) for the second consecutive year. We regard human resources as our valuable assets and promote diversity management that allows people with different personalities and abilities to play an active role, regardless of their gender, nationality, or disabilities. Amid the spread of COVID-19 infections, we have actively implemented a system to support employees with small children to take temporary leave from work during the temporary closure of daycare centers, elementary schools, etc., or when they are infected with COVID-19, so that they can work without anxiety. The SHiDAX Group will strive to continue its people-centered management, as well as its efforts to create a rewarding and secure work environment for all employees.

\*Regional Revitalization Entrepreneur Support Project: A system established by the Ministry of Internal Affairs and Communications (MIC) in FY2014 that allows employees of private companies to join local governments to work for regional revitalization and development (initially started as the Regional Revitalization Corporate Personnel System and was renamed to the current name in April 2021). Under this Project, in order to create a flow of people to regional areas, employees of companies located in the three major metropolitan areas are engaging in activities that will enhance the unique attractiveness and value of each region. The duration of the Program is from six months to three years.

## **(2) Explanation of Financial Position**

### **(Assets)**

Total assets at the end of the first quarter of the current consolidated fiscal year were ¥34,806 million, up ¥1,647 million, or 5.0%, from the end of the previous consolidated fiscal year. Total current assets increased ¥3,069 million, to ¥25,630 million, mainly due to an increase in cash and deposits of ¥3,012 million. Total non-current assets declined ¥1,422 million to ¥9,176 million, mainly due to a decrease in property, plant and equipment of ¥1,043 million.

### **(Liabilities)**

Total liabilities at the end of the first quarter of the current consolidated fiscal year were ¥22,944 million, up ¥1,157 million, or 5.3%, from the end of the previous consolidated fiscal year. Total current liabilities declined ¥1,807 million to ¥19,595 million, mainly due to a ¥3,672 million decrease in the current portion of long-term borrowings, despite a ¥1,485 million increase in accounts payable-other and ¥482 million increase in accrued expenses. Total non-current liabilities rose ¥2,964 million to ¥3,349 million, mainly due to an increase in long-term borrowings of ¥3,000 million.

### **(Net assets)**

Net assets at the end of the first quarter of the current consolidated fiscal year were ¥11,861 million, up ¥490 million, or 4.3%, from the end of the previous consolidated fiscal year. This was mainly due to the recording of quarterly profit attributable to owners of the parent company of ¥917 million.

As a result, the equity ratio at the end of the first quarter of the current consolidated fiscal year fell 0.2 percentage points from the end of the previous consolidated fiscal year to 34.1%.

## **(3) Explanation of Consolidated Earnings Forecast and Other Forward-Looking Statements**

Regarding the consolidated earnings forecast for the fiscal year ending March 31, 2023, no changes have been made to the forecast in the "Consolidated Financial Results for the Fiscal Year Ended March 31, 2022 (Japan GAAP)" announced on May 16, 2022.

**2. Quarterly Consolidated Financial Statements and Primary Notes**  
**(1) Quarterly Consolidated Balance Sheets**

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	7,134	10,147
Notes and accounts receivable - trade	13,360	13,582
Merchandise and finished goods	516	501
Raw materials and supplies	661	665
Other	901	746
Allowance for doubtful accounts	(13)	(13)
Total current assets	22,560	25,630
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,111	397
Other, net	959	630
Total property, plant and equipment	2,071	1,027
Intangible assets		
Goodwill	839	797
Other	380	349
Total intangible assets	1,220	1,147
Investments and other assets		
Shares of subsidiaries and associates	75	75
Deferred tax assets	4,831	4,926
Leasehold and guarantee deposits	1,081	844
Other	1,400	1,229
Allowance for doubtful accounts	(82)	(74)
Total investments and other assets	7,307	7,001
Total non-current assets	10,598	9,176
Total assets	33,159	34,806

(Millions of yen)

	As of March 31, 2022	As of June 30, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	4,621	4,706
Current portion of long-term borrowings	5,172	1,500
Accounts payable - other	1,212	2,698
Accrued expenses	6,086	6,568
Income taxes payable	293	198
Accrued consumption taxes	1,603	1,904
Provision for bonuses for directors (and other officers)	134	32
Provision for bonuses	1,530	784
Provision for withdrawal costs	19	19
Other	728	1,182
Total current liabilities	21,402	19,595
Non-current liabilities		
Long-term borrowings	—	3,000
Asset retirement obligations	203	204
Other	181	145
Total non-current liabilities	385	3,349
<b>Total liabilities</b>	<b>21,787</b>	<b>22,944</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	100	100
Capital surplus	13,588	13,069
Retained earnings	(2,148)	(1,230)
Treasury shares	(438)	(438)
Total shareholders' equity	11,102	11,500
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	27	25
Foreign currency translation adjustment	241	335
Total accumulated other comprehensive income	269	361
<b>Total net assets</b>	<b>11,371</b>	<b>11,861</b>
<b>Total liabilities and net assets</b>	<b>33,159</b>	<b>34,806</b>

**(2) Quarterly Consolidated Statements of Income and Comprehensive Income**  
(Quarterly Consolidated Statements of Income)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Net sales	29,032	29,840
Cost of sales	25,362	25,578
Gross profit	3,670	4,261
Selling, general and administrative expenses	3,159	3,065
Operating profit	510	1,195
Non-operating income		
Interest income	2	0
Dividend income	2	3
Membership fee income	3	6
Other	6	11
Total non-operating income	15	21
Non-operating expenses		
Interest expenses	41	25
Commission for syndicated loans	53	240
Foreign exchange losses	—	83
Other	9	11
Total non-operating expenses	104	360
Ordinary profit	422	856
Extraordinary income		
Subsidy income	59	38
Gain on forgiveness of debts	—	102
Gain on sale of shares of subsidiaries and associates	—	14
Other	0	0
Total extraordinary income	59	157
Extraordinary losses		
Loss on sale of non-current assets	92	5
Compensation payment	7	—
Provision for withdrawal costs	5	—
Other	9	0
Total extraordinary losses	114	5
Profit before income taxes	366	1,007
Income taxes - current	161	183
Income taxes - deferred	(326)	(93)
Total income taxes	(164)	(90)
Profit	531	917
Profit attributable to owners of parent	531	917

(Quarterly Consolidated Statements of Comprehensive Income)

(Millions of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	531	917
Other comprehensive income		
Valuation difference on available-for-sale securities	2	(2)
Foreign currency translation adjustment	(0)	94
Total other comprehensive income	1	92
Comprehensive income	533	1,009
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	533	1,009

### (3) Notes to Quarterly Consolidated Financial Statements

(Segment information, etc.)

Segment information

I. Three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

1. Information on sales and profit or loss by reportable segment and breakdown of earnings

(Millions of yen)

	Reportable segments				Other*	Grand Total
	Food services	Vehicle operation services	Social services	Total		
Sales						
Contract food services	5,268	—	—	5,268	—	5,268
Medical food services	7,656	—	—	7,656	—	7,656
Executive vehicle management	—	2,378	—	2,378	—	2,378
General vehicle management	—	2,256	—	2,256	—	2,256
Passenger transport	—	846	—	846	—	846
Social services	—	—	2,694	2,694	—	2,694
After-school care services	—	—	3,370	3,370	—	3,370
Public school lunch services	—	—	3,298	3,298	—	3,298
Other	286	—	—	286	895	1,182
Sales generated through contracts with customers	13,211	5,480	9,362	28,055	895	28,950
Other sales*	—	—	—	—	81	81
Sales generated through external customers	13,211	5,480	9,362	28,055	977	29,032
Intersegment sales and transfer	6	17	9	33	201	235
Total	13,217	5,498	9,372	28,088	1,179	29,267
Segment profit	382	524	545	1,452	(149)	1,303

Notes:

1. "Other" is a business segment that is not included in the reportable segments and contains the management of specialty restaurant businesses in Japan and so on.

2. "Other sales" contains profit from leases based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

2. Differences between the total amount of profits or losses of the reportable segments and the amount recorded in the quarterly consolidated statements of income, and key details of differences (matters related to adjustment of differences)

(Millions of yen)

Profit	Amount
Reportable segment total	1,452
Profit (loss) in the "Other" segment	(149)
Intersegment eliminations	2
Corporate-wide expenses*	(794)
Operating profit in the quarterly consolidated statements of income	510

Note: Corporate-wide expenses mainly consist of expenses incurred by the Company's administrative departments such as for general affairs, human resources, finance, accounting, and information systems, as well as those related to corporate image advertising that are not attributable to a reportable segment.

3. Information on impairment loss on fixed assets, goodwill, etc. by reportable segment

(Significant impairment losses on fixed assets)

Not applicable.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gains on negative goodwill)

Not applicable.

II. Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

1. Information on sales and profit or loss by reportable segment and breakdown of earnings

(Millions of yen)

	Reportable segment				Other*	Grand Total
	Food services	Vehicle operation services	Social services	Total		
Sales						
Contract food services	5,244	—	—	5,244	—	5,244
Medical food services	7,710	—	—	7,710	—	7,710
Executive vehicle management	—	2,513	—	2,513	—	2,513
General vehicle management	—	2,395	—	2,395	—	2,395
Passenger transport	—	877	—	877	—	877
Social services	—	—	2,973	2,973	—	2,973
After-school care services	—	—	3,881	3,881	—	3,881
Public school lunch services	—	—	3,438	3,438	—	3,438
Other	152	—	—	152	622	775
Sales generated through contracts with customers	13,107	5,786	10,293	29,188	622	29,810
Other sales*	—	—	—	—	29	29
Sales generated through external customers	13,107	5,786	10,293	29,188	651	29,840
Intersegment sales and transfer	1	15	12	29	103	133
Total	13,108	5,802	10,306	29,217	755	29,973
Segment profit	555	574	718	1,848	6	1,855

Notes:

1. "Other" is a business segment that is not included in the reportable segments and contains the management of specialty restaurant businesses in Japan and so on.
2. "Other sales" contains profit from leases based on the Accounting Standard for Lease Transactions (ASBJ Statement No. 13).

2. Differences between the total amount of profit and loss of the reportable segments and the amount recorded in the quarterly consolidated statement of income, and key details of differences (matters related to adjustment of differences)

(Millions of yen)

Profit	Amount
Reportable segment total	1,848
Profit (loss) in the "Other" segment	6
Intersegment eliminations	0
Corporate-wide expenses*	(660)
Operating profit in the quarterly consolidated statements of income	1,195

Note: Corporate-wide expenses mainly consist of expenses incurred by the Company's administrative departments such as for general affairs, human resources, finance, accounting, and information systems, as well as those related to corporate image advertising that are not attributable to a reportable segment.

3. Information on impairment loss on fixed assets, goodwill, etc. by reportable segment

(Significant impairment losses on fixed assets)

Not applicable.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gains on negative goodwill)

Not applicable.