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Summary of Financial Statements
for First Quarter of Fiscal Year Ending March 31, 2025 [Japanese GAAP]
(Consolidated)



August 9, 2024

Name of listed company: SHIP HEALTHCARE HOLDINGS, INC.
 Shares listed on: Tokyo Stock Exchange
 Code: 3360 URL <https://www.shiphd.co.jp/en/>
 Representative: (Title) President (Name) Futoshi Ohashi
 Contact: (Title) Executive Director (Name) Hiroshi Yokoyama Tel.: +81-6-6369-0130
 Scheduled start date for dividend payments: -
 Supplementary briefing materials on results: None
 Briefing on quarterly results: None

(All figures are rounded down to the nearest million yen.)

1. Consolidated financial results for the first quarter of fiscal year ending March 31, 2025
(April 1, 2024 – June 30, 2024)

(1) Consolidated operating results (cumulative total) (Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%
Q1 FY ending March 2025	155,219	6.0	3,502	(8.8)	4,485	(3.5)	3,065	2.2
Q1 FY ended March 2024	146,467	20.8	3,842	35.8	4,648	59.6	2,998	89.2

Note: Comprehensive income: Q1 FY ending March 2025: ¥ 3,365 million ((37.6) %)
 Q1 FY ended March 2024: ¥ 5,392 million (88.6 %)

	Net income per share	Diluted net income per share
	(Yen)	(Yen)
Q1 FY ending March 2025	32.49	-
Q1 FY ended March 2024	31.78	28.81

Note: Diluted net income per shares in Q1 FY ending March 2025 are not stated because there are no outstanding potential shares.

(2) Consolidated financial condition

	Total assets	Net assets	Equity capital ratio
	(Million yen)	(Million yen)	%
Q1 FY ending March 2025	377,014	140,363	36.7
FY ended March 2024	386,819	142,216	36.1

Reference: Equity: Q1 FY ending March 2025: ¥138,223 million; FY ended March 2024: ¥139,516 million

2. Dividends

	Annual dividends				
	End Q1	End Q2	End Q3	Year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY ended March 2024	-	0.00	-	50.00	50.00
FY ending March 2025	-	-	-	-	-
FY ending March 2025 (forecast)	-	0.00	-	53.00	53.00

Note: Revisions made in most recently announced dividend forecasts: None

Note: Dividend breakdown for the end of the fiscal year ended March 31, 2024

Ordinary dividend 45.00 yen Commemorative dividend 5.00 yen

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025
(April 1, 2024 – March 31, 2025)

(Percentages represent changes from the same quarter of the previous year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Net income per share
	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Million yen)	%	(Yen)
Cumulative through second quarter	300,000	1.1	8,500	(8.0)	8,500	(16.0)	5,000	35.6	52.99
Full-year	640,000	1.4	26,000	6.0	26,000	3.1	15,000	8.8	158.98

Note: Revisions made in most recently announced forecasts of business performance: None

Notes

- (1) Significant changes in the scope of consolidation during consolidated cumulative quarter: Yes
 Newly joined – companies (Name of company) – Out of consolidation 2 companies (Notes)
 (Notes) Details are in the attached document Page 9 “Changes in the scope of consolidation or of application of equity method”
- (2) Application of special accounting methods for preparation of quarterly consolidated financial statements None
- (3) Changes made in accounting policies, accounting estimates, and/or restatements:
- (i) Changes in accounting policies associated with changes in accounting standards, etc.: Yes
 - (ii) Any changes in accounting policies other than those under (i) above: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatements: None

(4) Number of shares issued and outstanding (common stocks)

(i) Number of shares issued and outstanding at the end of the period (including treasury stock)	Q1 FY ending March 2025	101,669,400 shares	FY ended March 2024	101,669,400 shares
(ii) Number of treasury stock at the end of the period	Q1 FY ending March 2025	7,319,175 shares	FY ended March 2024	7,319,175 shares
(iii) Average number of shares during the period (quarterly cumulative)	Q1 FY ending March 2025	94,350,225 shares	Q1 FY ended March 2024	94,350,225 shares

* Review of the attached quarterly consolidated financial statements by a Certified Public Accountant or an audit firm :Yes (arbitrary)

* Information on appropriate use of financial forecasts and other special notes:

- The forecasts of financial results and other forward-looking statements provided herein are based on information available at the time this document was prepared, and certain assumptions considered reasonable. We don't intend to promise the achievement of them. Actual results may differ significantly from forecasts due to various factors. For assumptions underlying forecasts of financial results, notes on use of forecasts of financial results, and other related information, please refer to “Information on consolidated financial forecasts and other forward-looking statements” on page 3 of the Annexed Materials.

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1. Outlook of business results

(1) Outlook Description of business results of consolidated cumulative quarter

The Japanese economy during the first quarter of the current consolidated cumulative period, showed signs of a moderate recovery, supported by improvements in employment and income environments, as well as the effect of policies. However, the outlook remains uncertain due to continued inflation and the impact of rising consumer prices driven by yen depreciation.

Healthcare industry in which the Group operates, various policies such as the 8th national medical plan, the 4th Phase Medical Cost Optimization Plan, and reforms in doctors' work styles has been launched. There is a continued demand to build an efficient and high-quality medical care system.

In the Group business under such conditions, the business performance largely progressed as planned due to smooth progress of the projects in the Total Pack Produce business, etc.. Furthermore, this year is the final year of our Medium-term management plan "SHIP VISION 2024", the Group had kept on promoting 4 core strategic measures set forth in the plan, "Further high growth of core business", "Further expand value", "Functional organization enhancement strategy", and "Activities for sustainability".

For the first quarter of the current consolidated cumulative period, the various factors noted above resulted in net sales of 155,219 million yen (up 6.0% YoY), operating profit of 3,502 million yen (down 8.8% YoY), ordinary profit of 4,485 million yen (down 3.5% YoY), and profit attributable to owners of the parent of 3,065 million yen (up 2.2% YoY).

Business results by segment are summarized below.

(i) Total Pack Produce business

In Total Pack Produce business, the projects were steadily progressed. However, contribution from the Myanmar business were not included from this fiscal year, and there was a reactionary decrease from concentration of deals with some manufacturers during the end of the previous FY, resulting in a decrease in profits compare with same period last year.

As a result, this segment recorded net sales of 25,307 million yen (down 9.2% YoY) and segment profit (operating profit) of 1,098 million yen (down 17.2% YoY).

(ii) Medical Supply business

In Medical Supply business, there were decreases in profits because sales of equipment decreased YoY whereas several new SPD cases started.

As a result, this segment recorded net sales of 112,613 million yen (up 10.7% YoY) and segment profit (operating profit) of 963 million yen (down 22.7% YoY).

(iii) Lifecare business

In Lifecare business, in the nursing care business, the nursing care homes maintained high occupancy rate even after the review of administration fee. In the food provision service, strategic restructuring of the business allowed us to overcome the rise in food prices, leading to increased sales and profits.

As a result, this segment recorded net sales of 9,135 million yen (up 2.4% YoY) and segment profit (operating profit) of 620 million yen (up 9.8% YoY).

(iv) Dispensing Pharmacy business

In Dispensing Pharmacy business, the performance remained firm due to the new store openings and improvement in management efficiency.

As a result, this segment recorded net sales of 8,162 million yen (up 3.3% YoY) and segment profit (operating profit) of 793 million yen (up 7.6% YoY).

(2) Outlook Analysis of financial position of consolidated cumulative quarter

Assets at the end of the consolidated first quarter stood at 377,014 million yen, down 9,805 million yen from the end of the previous consolidated fiscal year. The primary reasons for this decline included decreases of 18,313 million yen in “notes, accounts receivable, and contract asset”, despite increases of 2,709 million yen in “merchandise and finished goods”, 1,966 million yen in “cash and deposits”, 1,594 million yen in “Work in process” 1,241 million yen in “investment securities”. Liabilities stood at 236,651 million yen, down 7,952 million yen from the end of the previous consolidated fiscal year. The primary reasons for this decline included decreases of 7,324 million yen in “notes and accounts payable – trade”, 3,373 million yen in “income taxes payable”, despite increases of 4,124 million yen in “electronically recorded obligations – operating”.

Net assets stood at 140,363 million yen, down 1,852 million yen from the end of the previous consolidated fiscal year. The primary reasons for this increase included decrease of 4,717 million yen in “retained earnings” due to payment of dividends, despite increase of 3,065 million yen in “retained earnings” from profit attributable to owners of parent.

As a result of all these factors, equity capital ratio at the end of the consolidated first quarter stood at 36.7% (up 0.6% from the end of the previous consolidated fiscal year)

(3) Information on consolidated financial forecasts and other forward-looking statements

In general, business performance matched financial forecasts made at the start of the period. The consolidated financial forecasts for the fiscal year remain unchanged from the forecasts announced on May 10, 2024.

2. Quarterly consolidated financial statements and notes thereto

(1) Quarterly consolidated balance sheet

(Unit: Million yen)

	Fiscal year ended March 31, 2024	Q1 Fiscal year ending March 31, 2025 (June 30, 2024)
Assets		
Current assets		
Cash and deposits	85,072	87,038
Notes, accounts receivable, and contract asset	124,457	106,144
Electronically recorded monetary claims – operating	6,230	7,312
Lease investment assets	2,953	2,951
Merchandise and finished goods	21,032	23,742
Work in process	3,763	5,358
Raw materials and supplies	1,979	2,149
Other	14,585	15,268
Allowance for doubtful accounts	(49)	(118)
Total current assets	260,023	249,847
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	22,984	22,856
Land	18,163	18,153
Real estate for rent, net	10,899	10,841
Other, net	11,257	11,195
Total property, plant, and equipment	63,305	63,047
Intangible assets		
Goodwill	10,573	10,081
Other	3,515	3,410
Total intangible assets	14,088	13,492
Investments and other assets		
Investment securities	29,414	30,655
Long-term loans receivable	9,775	9,827
Other	11,992	11,925
Allowance for doubtful accounts	(1,780)	(1,781)
Total investments and other assets	49,402	50,627
Total non-current assets	126,795	127,167
Total assets	386,819	377,014

(Unit: Million yen)

	Fiscal year ended (March 31, 2024)	Q1 Fiscal year ending March 31, 2025 (June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	109,144	101,820
Electronically recorded obligations - operating	37,959	42,084
Short-term loans payable	708	721
Income taxes payable	4,728	1,355
Provision for bonuses	2,990	3,008
Other	25,633	25,202
Total current liabilities	181,165	174,193
Non-current liabilities		
Long-term loans payable	50,459	49,269
Net defined benefit liability	3,462	3,493
Asset retirement obligations	1,175	1,178
Other	8,340	8,515
Total non-current liabilities	63,438	62,457
Total liabilities	244,603	236,651
Net assets		
Shareholders' equity		
Capital stock	15,553	15,553
Capital surplus	23,585	23,575
Retained earnings	109,985	108,333
Treasury stock	(15,526)	(15,526)
Total shareholders' equity	133,597	131,935
Accumulated other comprehensive income		
Valuation differences on available-for-sale securities	5,863	6,245
Deferred gains or losses on hedges	2	2
Foreign currency translation adjustments	(42)	(49)
Remeasurements of defined benefit plans	95	89
Total accumulated other comprehensive income	5,919	6,288
Non-controlling interests	2,699	2,139
Total net assets	142,216	140,363
Total liabilities and net assets	386,819	377,014

(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income

Quarterly consolidated statement of income

Consolidated cumulative first quarter

(Unit: Million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	146,467	155,219
Cost of sales	132,331	141,530
Gross profit	14,136	13,689
Sales, general, and administrative expenses	10,294	10,186
Operating profit	3,842	3,502
Non-operating profit		
Interest income	80	75
Dividend income	138	128
Equity gains of affiliated companies	530	652
Foreign exchange profit	82	170
Other	126	112
Total non-operating profit	959	1,139
Non-operating expenses		
Interest expenses	110	123
Commission paid	9	-
Other	32	32
Total non-operating expenses	152	156
Ordinary profit	4,648	4,485
Extraordinary profit		
Gains on sales of non-current assets	43	0
Total extraordinary profit	43	0
Extraordinary losses		
Loss on sales of non-current assets	0	2
Losses on retirement of non-current assets	3	1
Losses on sales of subsidiary	129	-
Total extraordinary losses	133	3
Profit before income taxes	4,558	4,482
Income taxes - current	1,405	1,150
Income taxes - deferred	157	326
Total income taxes	1,563	1,476
Profit	2,995	3,005
Losses attributable to non-controlling interests	(3)	(59)
Profit attributable to owners of parent	2,998	3,065

Quarterly consolidated statement of comprehensive income
 Consolidated cumulative first quarter

(Unit: Million yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net income	2,995	3,005
Other comprehensive income		
Valuation differences on available-for-sale securities	1,555	381
Foreign currency translation adjustments	835	(16)
Remeasurements of defined benefit plans	1	(2)
Share of other comprehensive income of entities accounted for using equity method	4	(2)
Total other comprehensive income	2,397	359
Comprehensive income	5,392	3,365
(Breakdown)		
Comprehensive income attributable to owners of parent	5,280	3,434
Comprehensive income attributable to non-controlling interests	111	(68)

(3) Notes on consolidated quarterly financial statements

(Notes on changes of accounting policies)

“Accounting Standard for Corporate, Inhabitant and Enterprise Taxes” (corporate accounting standards No. 27, October 28th 2022), “Accounting Standard for Presentation of Comprehensive Income” (corporate accounting standards No. 25, October 28th 2022) and “Guidance on Accounting Standard for Tax Effect Accounting” (guidance of corporate accounting standards No. 28, October 28th 2022) have been adopted from the start of the first quarter of the current consolidated cumulative period. There is no effect toward the Quarterly consolidated financial statements by the changes of these accounting policies.

(Notes on Segment information, etc.)

I. Previous consolidated cumulative first quarter (April 1 – June 30, 2023)

1 Net sales and profit (loss) by reportable segments

(Unit: Million yen)

	Reportable segment					Adjustments*1	Amount recorded on consolidated financial statements*2
	Total Pack Produce business	Medical Supply business	Lifecare business	Dispensing Pharmacy business	Subtotal		
Net sales							
(1) Sales to outside customers	27,876	101,771	8,920	7,899	146,467	—	146,467
(2) Intersegment sales or transfers	1,056	245	10	23	1,335	(1,335)	—
Subtotal	28,933	102,016	8,930	7,923	147,803	(1,335)	146,467
Segment profit	1,326	1,245	564	737	3,874	(32)	3,842

Notes:

- The figure of (32) million yen in adjustments to segment profit includes (29) million yen for the cancellation of intersegment transactions and (5) million yen for companywide costs not allocated to each reportable segment. These companywide costs consist mainly of parent company operating expenses and sales, general, and administrative expenses not attributable to individual reportable segments.
 - Segment profit is adjusted against the operating profit reported on the Quarterly consolidated statement of income.
- 2 Information on impairment loss and goodwill on fixed assets by reportable segments
 No material impairment losses, changes in the amount of goodwill, and material gains on negative goodwill on fixed assets was recognized in the first quarter of the current consolidated fiscal year.

II Consolidated cumulative first quarter (April 1 – June 30, 2024)

1 Net sales and profit (loss) by reportable segments

(Unit: Million yen)

	Reportable segment					Adjustments*1	Amount recorded on consolidated financial statements*2
	Total Pack Produce business	Medical Supply business	Lifecare business	Dispensing Pharmacy business	Subtotal		
Net sales							
(1) Sales to outside customers	25,307	112,613	9,135	8,162	155,219	—	155,219
(2) Intersegment sales or transfers	545	588	12	27	1,175	(1,175)	—
Subtotal	25,852	113,202	9,148	8,190	156,394	(1,175)	155,219
Segment profit	1,098	963	620	793	3,476	26	3,502

Notes:

- The figure of 26 million yen in adjustments to segment profit includes (31) million yen for the cancellation of intersegment transactions and 48 million yen for companywide costs not allocated to an individual reportable segment. These companywide costs consist mainly of parent company operating expenses and sales, general, and administrative expenses not attributable to individual reportable segments.
- Segment profit is adjusted against the operating profit reported on the Quarterly consolidated statement of income.

2 Information on impairment loss and goodwill on fixed assets by reportable segments

No material impairment losses, changes in the amount of goodwill, and material gains on negative goodwill on fixed assets was recognized in the first quarter of the current consolidated fiscal year.

(Notes in the event of significant changes in the amount of shareholders' equity)

None

(Notes on the going concern assumption)

None

(Notes on statements of Cash Flows)

We don't have statements of Quarterly consolidated Cash Flows during consolidated cumulative quarter. Depreciation and amortization of the period (including depreciation expense of intangible assets and excluding goodwill) and amortization of goodwill are below:

	Previous consolidated cumulative first quarter (April 1 – June 30, 2023)	Consolidated cumulative first quarter (April 1 – June 30, 2024)
Depreciation and amortization	1,313 million yen	1,321 million yen
Amortization of goodwill	530 million yen	492 million yen

(Changes in the scope of consolidation or of application of equity method)

(Changes in the scope of consolidation)

During the first quarter of this consolidated fiscal year, our consolidated subsidiary, SHIP HEALTHCARE PHARMACY EAST JAPAN, INC., absorbed and merged C.M.J, Ltd. and FRIENDS, Ltd., which were consolidated subsidiary companies of our group.