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## Consolidated Financial Statements for the Nine Months Ended December 31, 2024 [Japanese GAAP]

February 7, 2025

Company name: SHIP HEALTHCARE HOLDINGS, INC.  
 Listing: 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 of dividend payments: –  
 Supplementary briefing materials on results: None  
 Briefing on results: None

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

### 1. Consolidated financial results for the nine months ended December 31, 2024 (April 1, 2024 – December 31, 2024)

#### (1) Consolidated operating results (Cumulative) (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)	%
Nine months ended December 31, 2024	492,272	8.7	15,121	(0.1)	16,545	4.8	10,517	45.6
December 31, 2023	453,057	11.3	15,130	13.2	15,788	22.9	7,224	(3.0)

Note: Comprehensive income: Nine months ended December 31, 2024: ¥10,743 million (21.8 %)  
 Nine months ended December 31, 2023: ¥8,820 million ((4.8%))

	Net income per share	Diluted net income per share
Nine months ended	(Yen)	(Yen)
December 31, 2024	111.48	—
December 31, 2023	76.57	—

#### (2) Consolidated financial condition

	Total assets	Net assets	Equity capital ratio
As of	(Million yen)	(Million yen)	%
December 31, 2024	378,433	147,751	38.4
March 31, 2024	387,562	142,226	36.0

Reference: Equity: Nine months ended December 31, 2024: ¥145,490 million; FY ended March 2024: ¥139,527 million

Note: Provisional accounting treatment related to corporate combinations have been conducted in six months ended September 30, 2024. The consolidated financial condition in FY ended March 2024 reflects the finalized provisional accounting treatment.

### 2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	(Yen)	(Yen)	(Yen)	(Yen)	(Yen)
FY ended March 2024	—	0.00	—	50.00	50.00
FY ending March 2025	—	0.00	—	—	—
FY ending March 2025 (forecast)	—	—	—	53.00	53.00

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

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

Ordinary dividend ¥45.00 Commemorative dividend ¥5.00

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

(Percentages represent changes from 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)
Full-year	640,000	1.4	26,000	6.0	26,000	3.1	15,000	8.7	158.98

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

Notes

- (1) Significant changes made in the scope of consolidation during consolidated cumulative quarter under review: Yes  
 New inclusion: 1 company (Note), Elimination: 7 companies (Note)  
 (Note) Details are in page 9 “Changes in the scope of consolidation or of application of equity method”
- (2) Special account processing applied in 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)	As of December 31, 2024	101,669,400 shares	As of March 31, 2024	101,669,400 shares
(ii) Number of treasury stock at the end of the period	As of December 31, 2024	7,319,266 shares	As of March 31, 2024	7,319,175 shares
(iii) Average number of shares during the period (quarterly cumulative)	As of December 31, 2024	94,350,170 shares	As of December 31, 2023	94,350,225 shares

\* Review by a Certified Public Accountant or an audit firm for this summary of financial attached: 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 to achieve 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 [attached materials].

## ○ Index of attached materials

1. Outlook of financial results .....	2
(1) Outlook of financial results on consolidated cumulative quarter under review .....	2
(2) Outlook of financial position on consolidated cumulative quarter under review.....	3
(3) Information on consolidated financial forecasts and other forward-looking statements.....	3
2. Quarterly consolidated financial statements and notes thereto .....	4
(1) Quarterly consolidated balance sheet .....	4
(2) Quarterly consolidated statement of income and consolidated statement of comprehensive income ....	6
(3) Notes on quarterly consolidated financial statements .....	8
(Notes on changes of accounting policy) .....	8
(Notes on segment information, etc.) .....	8
(Notes on marked changes to shareholders' equity) .....	9
(Notes on the going concern assumption) .....	9
(Notes on statement of cash flows) .....	9
(Changes in the scope of consolidation or of application of equity method) .....	9

## 1. Outlook of financial results

### (1) Outlook of financial results on consolidated cumulative quarter under review

The Japanese economy during the current cumulative period of the third quarter showed signs of gradual recovery in business condition due to improvements in employment, income conditions, as well as the effects of various government policies. However, the future remains uncertain due to consumer price increases driven by persistent inflation and yen's depreciation.

Japanese healthcare industry to which the Group operates, various initiatives have been initiated, including the simultaneous revision of payment for medical services and payment for nursing care services, the implementation of the 8th Medical Care Plan, the 4th phase of the Medicare Cost Optimization Plan and reforms to improve working conditions for doctors. As a result, there is an ongoing demand for the establishment of an effective and high-quality healthcare delivery system. In addition, amid the inflationary economy, hospital management is facing unprecedented challenges in recent years due to soaring costs in medical operations, including foods, imported goods, labor and energy expenses.

In this situation, the performance of the Group progressed largely in line with the plan due to the steady progress of projects in Total Pack Produce business. In addition, this fiscal period marks the final term of the medium-term management plan "SHIP VISION 2024," the Group continued to promote the four core strategies initially set forth "Further high growth of core business", "Further expand value", "Functional organization enhancement strategy", and "Activities for sustainability".

For the third quarter of the current consolidated cumulative period, the various factors noted above resulted in net sales of 492,272 million yen (up 8.7% YoY), operating profit of 15,121 million yen (down 0.1% YoY), ordinary profit of 16,545 million yen (up 4.8% YoY), and profit attributable to owners of the parent of 10,517 million yen (up 45.6% YoY).

The Company conducted provisional accounting treatment related to a corporate combination, which has now been finalized during the second quarter of the consolidated accounting period. Accordingly, for comparisons and analysis with the previous fiscal year, the Company has used the revised figures reflecting this finalized treatment.

Business results by segment are summarized below.

#### (i) Total Pack Produce business

In Total Pack Produce business, revenue and profit increased due to the scheduled recognition of multiple large-scale projects and the strong performance of the solution business.

As a result, this segment recorded net sales of 87,245 million yen (up 3.2% YoY) and segment profit (operating profit) of 6,580 million yen (up 14.7% YoY).

#### (ii) Medical Supply business

In Medical Supply business, revenue increased as several new large-scale SPD contracted facilities commenced operation. However, profitability declined due to the upfront expenses such as labor cost and equipment costs associated with these new operations and the increase of expenses associated with capital investment for future logistic strategies.

As a result, this segment recorded net sales of 352,223 million yen (up 11.2% YoY) and segment profit (operating profit) of 4,206 million yen (down 8.8% YoY).

#### (iii) Lifecare business

In Lifecare business, strategic restructuring and cost pass-through in the food provision service helped the Company achieve steady growth despite rising ingredient prices including rice. On the other hand, in nursing care services, due to upfront expenses related to Greenlife Nakaikagami (123 beds, newly opened in July 2024), in collaboration project with CHARM CARE CORPORATION, INC., the overall business experienced a decline in profitability.

As a result, this segment recorded net sales of 27,621 million yen (up 1.4% YoY) and segment profit (operating profit) of 1,746 million yen (down 15.2% YoY).

#### (iv) Dispensing Pharmacy business

In Dispensing Pharmacy business, revenue increased due to efforts of new store openings and operational efficiency improvements. However, profits decreased due to the impact of drug price revisions and rising procurement costs.

As a result, this segment recorded net sales of 25,182 million yen (up 3.2% YoY) and segment profit (operating profit) of 2,545 million yen (down 4.7% YoY).

(2) Outlook of financial position on consolidated cumulative quarter under review

Assets at the end of the consolidated third quarter stood at 378,433 million yen, down 9,129 million yen from the end of the previous consolidated fiscal year. The primary reasons for this decrease included decreases of 12,107 million yen in cash and deposits, 1,249 million yen in goodwill, despite increases of 5,708 million yen in merchandise and finished goods, 1,481 million yen in investment securities.

Liabilities stood at 230,681 million yen, down 14,654 million yen from the end of the previous consolidated fiscal year.

The primary reasons for this decrease included decreases of 17,390 million yen in long-term loans payable, 4,320 million yen in electronically recorded obligations - operating and 2,897 million yen in income taxes payable, despite increase of 11,846 million yen in notes and accounts payable-trade.

Net assets stood at 147,751 million yen, up 5,525 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 cash dividends paid, despite increase of 10,517 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 third quarter stood at 38.4%. (up 2.4% 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)

	As of March 31, 2024	As of December 31, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	85,072	72,964
Notes, accounts receivable, and contract asset	124,457	124,404
Electronically recorded monetary claims – operating	6,230	6,951
Lease investment assets	2,953	2,831
Merchandise and finished goods	21,032	26,740
Work in process	3,763	3,951
Raw materials and supplies	1,979	2,116
Other	14,585	13,574
Allowance for doubtful accounts	(49)	(145)
Total current assets	260,023	253,389
Non-current assets		
Property, plant, and equipment		
Buildings and structures, net	22,984	22,145
Land	18,163	18,249
Real estate for rent, net	10,899	10,565
Other, net	11,257	10,845
Total property, plant, and equipment	63,305	61,806
Intangible assets		
Goodwill	9,121	7,872
Other	5,734	5,413
Total intangible assets	14,855	13,285
Investments and other assets		
Investment securities	29,414	30,896
Long-term loans receivable	9,775	9,593
Other	11,967	11,218
Allowance for doubtful accounts	(1,780)	(1,756)
Total investments and other assets	49,377	49,951
Total non-current assets	127,538	125,044
Total assets	387,562	378,433

(Unit: Million yen)

	As of March 31, 2024	As of December 31, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	109,144	120,991
Electronically recorded obligations - operating	37,959	33,639
Short-term loans payable	708	762
Income taxes payable	4,728	1,830
Provision for bonuses	2,990	1,373
Other	25,633	24,811
<b>Total current liabilities</b>	<b>181,165</b>	<b>183,410</b>
Non-current liabilities		
Long-term loans payable	50,459	33,068
Net defined benefit liability	3,462	3,531
Asset retirement obligations	1,175	1,188
Other	9,072	9,482
<b>Total non-current liabilities</b>	<b>64,170</b>	<b>47,271</b>
<b>Total liabilities</b>	<b>245,335</b>	<b>230,681</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	15,553	15,553
Capital surplus	23,585	23,575
Retained earnings	109,996	115,796
Treasury stock	(15,526)	(15,527)
<b>Total shareholders' equity</b>	<b>133,607</b>	<b>139,398</b>
Accumulated other comprehensive income		
Valuation differences on available-for-sale securities	5,863	6,133
Deferred gains or losses on hedges	2	2
Foreign currency translation adjustments	(42)	(128)
Remeasurements of defined benefit plans	95	84
<b>Total accumulated other comprehensive income</b>	<b>5,919</b>	<b>6,092</b>
Non-controlling interests	2,699	2,261
<b>Total net assets</b>	<b>142,226</b>	<b>147,751</b>
<b>Total liabilities and net assets</b>	<b>387,562</b>	<b>378,433</b>

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

 Quarterly consolidated statement of income  
 Consolidated cumulative third quarter

(Unit: Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	453,057	492,272
Cost of sales	407,486	446,086
Gross profit	45,571	46,185
Sales, general, and administrative expenses	30,441	31,064
Operating profit	15,130	15,121
Non-operating profit		
Interest income	247	227
Dividend income	206	190
Equity gains of affiliated companies	631	1,066
Foreign exchange gain	-	63
Other	395	340
Total non-operating profit	1,481	1,888
Non-operating expenses		
Interest expenses	331	384
Foreign exchange loss	349	-
Other	142	79
Total non-operating expenses	823	463
Ordinary profit	15,788	16,545
Extraordinary profit		
Gains on sales of non-current assets	43	3
Gains on sales of investment securities	6	1
Gains on negative goodwill	3	-
Other	0	1
Total extraordinary profit	53	6
Extraordinary losses		
Losses on sales of non-current assets	0	5
Impairment loss	2,635	41
Losses on retirement of non-current assets	16	12
Business structure improvement expenses	-	21
Losses on sales of subsidiaries and affiliates' stocks	129	-
Other	2	5
Total extraordinary losses	2,784	85
Profit before income taxes	13,057	16,467
Income taxes - current	4,886	4,527
Income taxes - deferred	1,055	1,298
Total income taxes	5,941	5,826
Profit	7,115	10,640
Profit (loss) attributable to non-controlling interests	(108)	122
Profit attributable to owners of parent	7,224	10,517



Quarterly consolidated statement of comprehensive income  
 Consolidated cumulative third quarter

	(Unit: Million yen)	
	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net income	7,115	10,640
Other comprehensive income		
Valuation differences on available-for-sale securities	1,293	270
Foreign currency translation adjustments	418	(155)
Remeasurements of defined benefit plans	3	(8)
Share of other comprehensive income of entities accounted for using equity method	(9)	(2)
Total other comprehensive income	1,705	103
Comprehensive income	8,820	10,743
(Breakdown)		
Comprehensive income attributable to owners of parent	8,876	10,691
Comprehensive income attributable to non-controlling interests	(55)	52

## (3) Notes on quarterly consolidated financial statements

## (Notes on changes of accounting policy)

Accounting Standard for Corporate, Inhabitant and Enterprise Taxes (corporate accounting standards No.27, October 28, 2022), Accounting Standard for Presentation of Comprehensive Income (corporate accounting standards No.25, October 28, 2022), and Guidance on Accounting Standard for Tax Effect Accounting (corporate accounting standards No.28, October 28, 2022) have applied since the start of the first quarter of the consolidated accounting period. There are no impacts to the quarterly consolidated financial statements with the changes of accounting policy.

## (Notes on segment information, etc.)

## I. Previous consolidated cumulative third quarter (April 1, 2023 – December 31, 2023)

## 1 Net sales and profit (loss) by reportable segments

(Unit: Million yen)

	Reportable segments					Adjustments*1	Amount recorded on consolidated financial statements*2
	Total Pack Produce business	Medical Supply business	Lifecare business	Dispensing Pharmacy business	Total		
Net sales							
(1) Sales to outside customers	84,574	316,849	27,233	24,401	453,057	—	453,057
(2) Intersegment sales or transfers	2,131	903	42	77	3,154	(3,154)	—
Subtotal	86,706	317,752	27,275	24,478	456,212	(3,154)	453,057
Segment profit	5,738	4,609	2,060	2,670	15,078	51	15,130

Notes: 1 The figure of 51 million yen in adjustments to segment profit includes (86) million yen in cancellation of intersegment transactions and 136 million yen in companywide costs not allocated among reportable segments. These companywide costs consist mainly of parent company's operating expenses and sales, general, and administrative expenses not attributable to individual reportable segments.

2 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

## (Significant impairment loss on non-current assets)

In Total Pack Produce business, considering the progress of the Myanmar operations compared to the initial business plan and the outlook for future performance, it has been determined that the originally anticipated excess earning power cannot be expected. As a result, an impairment loss has been recognized for goodwill. The amount of the impairment loss recognized for goodwill due to this event is 2,635 million yen for the third quarter of the current consolidated cumulative period.

## (Significant fluctuations in the amount of goodwill)

As mentioned above (significant impairment loss on non-current assets), the Company has impaired the goodwill in the Total Pack Produce business.

## (Significant gain on negative goodwill)

Not applicable

## II. Consolidated cumulative third quarter (April 1, 2024 – December 31, 2024)

## 1 Net sales and profit (loss) by reportable segments

(Unit: Million yen)

	Reportable segments					Adjustments*1	Amount recorded on consolidated financial statements*2
	Total Pack Produce business	Medical Supply business	Lifecare business	Dispensing Pharmacy business	Total		
Net sales							
(1) Sales to outside customers	87,245	352,223	27,621	25,182	492,272	—	492,272
(2) Intersegment sales or transfers	2,233	1,534	36	91	3,895	(3,895)	—
Subtotal	89,478	353,757	27,658	25,274	496,167	(3,895)	492,272
Segment profit	6,580	4,206	1,746	2,545	15,079	41	15,121

Notes: 1 The figure of 41 million yen in adjustments to segment profit includes (93) million yen in cancellation of intersegment transactions and 126 million yen in companywide costs not allocated among reportable segments. These companywide costs consist mainly of parent company's operating expenses and sales, general, and administrative expenses not attributable to individual reportable segments.

2 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 were recognized in the third quarter of the current consolidated fiscal year.

(Notes on marked changes to shareholders' equity)

Not applicable

(Notes on the going concern assumption)

Not applicable

(Notes on statement of cash flows)

The quarterly consolidated statement of cash flows for the cumulative period of the third quarter has not been prepared. However, depreciation and amortization (including depreciation expense of intangible assets and excluding goodwill) and goodwill amortization for the cumulative of the third quarter are below:

	Previous consolidated cumulative third quarter (April 1 – December 31, 2023)	Consolidated cumulative third quarter (April 1 – December 31, 2024)
Depreciation and amortization	4,034 million yen	4,113 million yen
Goodwill amortization	1,499 million yen	1,368 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, SHIP HEALTHCARE PHARMACY EAST JAPAN, INC., a consolidated subsidiary, absorbed and merged C.M.J, Ltd. and FRIENDS, Ltd., which were also consolidated subsidiary companies.

During the second quarter of this consolidated fiscal year, MONAKA CO., LTD. was newly included in the scope of consolidation by acquisition of its shares.

During the third quarter of this consolidated fiscal year, Heart Life Corporation absorbed and merged Nakajima Medical Supply Co., Ltd. and Aurum Medical Co., Ltd., while SMC Co., Ltd. absorbed and merged ORGAN MEDICAL CO., LTD., TOM MEDIC CO., LTD. and NJ MEDICAL CO., LTD. All these transactions were organizational restructurings among consolidated subsidiaries.