

**Develops nursing care and restaurant businesses while focusing on welfare business for disabled**

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**[ 7083 AHC GROUP Sector : Service ]**

Fiscal Year		Net sales (mn yen)	YoY (%)	Operating profit (mn yen)	YoY (%)	Ordinary profit (mn yen)	YoY (%)	Profit (mn yen)	YoY (%)	EPS (yen)	BPS (yen)	DPS (yen)
Nov. 2019		4,120	18.9	243	259.5	255	312.7	178	162.8	111.7	168.7	0.0
Nov. 2020		4,086	-0.8	106	-56.1	197	-22.5	102	-42.5	52.0	649.0	0.0
Nov. 2021	CE	4,761	16.5	195	83.4	203	2.7	106	3.9	51.1	-	0.0
Nov. 2021	E	4,584	12.2	173	62.1	175	-11.2	92	-10.3	44.0	692.5	0.0
Nov. 2022	E	5,496	19.9	246	42.4	218	24.3	114	24.3	54.5	747.4	0.0
Nov. 2023	E	6,306	14.7	313	27.3	285	30.7	149	30.7	71.3	819.0	0.0

Note: CE: Estimates by the company E: Estimate by Stock Research Center  
Source: Stock Research Center

**1. Corporate Overview**

AHC GROUP develops the welfare, the nursing care and the restaurant businesses centering on the Tokyo metropolitan area. Its welfare business features a one-stop service line-up that can cover the disabled from their childhood to adulthood.

**2. Financial Analysis**

Led by the increase in the number of its offices in the welfare and the nursing care businesses, it has recorded revenue increase from the fiscal year ended November 2015 through the fiscal year ended November 2019. It has recorded an ordinary loss on a non-consolidated basis in the fiscal year ended November 2017 when reorganization of its group companies and opening of offices were concentrated, but it recorded an ordinary profit in the fiscal years ended November 2018 and November 2019. On balance, it has recorded a slight decrease in revenue and a large decrease in ordinary profit in the fiscal year ended November 2020 as the COVID-19 pandemic directly affected the restaurant business.

When comparing its financial statements with those of listed companies conducting the welfare business for persons with disabilities or the nursing business, profitability and growth potential of the AHC GROUP are, as a company conducting both businesses, generally higher than that of nursing care service providers, but lower than providers of welfare services for persons with disabilities. Therefore, it is sensible that the company is striving to expand its welfare business, which has high growth potential.

**3. Non-Financial Analysis**

The company's source of intellectual capital is the accumulation of knowledge and expertise concerning operation of offices in the welfare, the nursing care and the restaurant businesses (organizational capital). It also utilizes its expertise gained from the operation of nursing care facilities into the welfare business, increasing its number of offices which are points of contact with their customers and are social capital, leading to further accumulation of operational expertise.

**4. Corporate Strategy Analysis**

As for problems that should be dealt with, the company needs to stably secure qualified personnel for its welfare business, secure properties appropriate for offices of the welfare business, and cope with the spread of the COVID-19 infection.

The company considers the welfare business as its growth business and its policy is to promote opening of offices in group homes with aids with the goal of having the most in the industry.

### **5. Analyst Evaluation**

The Stock Research Center highly evaluates the way the company has developed by increasing its welfare business service types to fully cover the life span of persons with disabilities. The company's policy for the time being is to focus on opening group homes with aids, and the Stock Research Center would like to keep an eye on the impact of expected bottlenecks and the pace of opening.

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