

Developing businesses of maintaining medical equipment, etc., setting/installing ICT equipment and dispatching engineers

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【7120 SHIKO Sector : Wholesale Trade】

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)
Mar.2021	12,684	-5.0	474	-	477	-24.9	236	-43.8	50.2	389.2	5.0
Mar.2022	13,886	9.5	605	27.6	612	28.3	423	79.2	247.1	577.8	5.0
Mar.2023 f	15,090	8.7	653	7.9	661	8.0	422	-0.2	246.0	-	70.0

Note: Non-consolidated basis. Figures for the fiscal year ending March 2023 are the company's forecasts.

Engaged in Maintenance of Medical Equipment, etc., Setting/Installing of ICT Equipment and Dispatch of Engineers

SHINKO is developing the maintenance services business centered on medical equipment for hospitals, clinics and dispensing pharmacies, the solutions business that sets and installs ICT equipment and the human resource services business that dispatches engineers. In fiscal year ended March 2022, the maintenance services business accounted for 31.4% of net sales, the solutions business accounted for 52.8% and the human resource services business accounted for 15.8%.

Maintenance Services Business

The maintenance services business provides system support, equipment maintenance, call centers and helpdesk services. Its main operation is maintenance of products manufactured by PHC, a subsidiary of PHC Holdings, namely receipt computers and electronic clinical record systems for hospitals and clinics and electronic drug history systems for dispensing pharmacies. In this business, SHINKO provides on-site maintenance services visiting customer sites 24 hours a day, 365 days a year.

Solutions Business

Major customers in the solutions business include NEC and KDDI. SHINKO provides kitting services conducting equipment settings and software installations for projects received by customers, equipment installation and more.

Human Resource Services Business

The human resource services business dispatches customer engineers (CEs) who maintain, inspect and repair IT equipment and system engineers (SEs) who design and build networks and provide sales support for dispatched companies. The total number of dispatched personnel at the end of fiscal year ended March 2022 was 262.

SHINKO has dispatched more than 140 CEs to NEC Fielding, its main customer, as of December 2022. As of the same date, more than 60 SEs have been dispatched to the KDDI Group, and 15 dispatched personnel or more were engaged in operations including system proposals for customers and estimate preparations under outsourcing contracts.

Financial Statements

Statement of income	Fiscal Year	Mar.2021		Mar.2022		Nine months to Dec.2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		12,684	100.0	13,886	100.0	10,721	100.0
Cost of sales		9,602	75.7	10,568	76.1	8,159	76.1
Gross profit		3,081	24.3	3,318	23.9	2,561	23.9
Selling, general and administrative expenses		2,606	20.5	2,712	19.5	2,048	19.1
Operating profit		474	3.7	605	4.4	513	4.8
Non-operating income		10	-	8	-	9	-
Non-operating expenses		7	-	1	-	2	-
Ordinary profit		477	3.8	612	4.4	520	4.9
Profit before income taxes		416	3.3	611	4.4	520	4.9
Net profit		236	1.9	423	3.0	332	3.1

Balance sheet	Fiscal Year	Mar.2021		Mar.2022		Dec.2022	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		4,413	79.9	4,444	80.5	4,643	81.3
Cash and deposits		937	17.0	920	16.7	836	14.6
Accounts receivable-trade		2,768	50.1	2,875	52.1	2,318	40.6
Inventories		194	3.5	249	4.5	1,126	19.7
Non-current assets		1,107	20.1	1,077	19.5	1,067	18.7
Property, plant and equipment		125	2.3	117	2.1	136	2.4
Intangible assets		158	2.9	130	2.4	108	1.9
Investments and other assets		823	14.9	828	14.4	821	14.1
Total assets		5,520	100.0	5,522	100.0	5,710	100.0
Current liabilities		3,018	54.7	3,121	56.5	2,954	51.7
Accounts payable - trade		988	17.9	1,360	24.6	1,336	23.4
Short-term borrowings		400	7.2	-	-	-	-
Non-current liabilities		1,389	25.2	1,409	25.2	1,441	25.5
Net assets		1,112	20.1	990	17.9	1,314	23.0
Owners' equity		1,112	20.1	990	17.9	1,314	23.0

Statement of cash flows	Fiscal Year	Mar.2021	Mar.2022
		(mn yen)	(mn yen)
Cash flows from operating activities		-290	978
Depreciation		49	67
Cash flows from investing activities		-173	-35
Cash flows from financing activities		227	-959
Dividends paid		-159	-159
Net increase in cash and cash equivalents		-235	-16
Cash and cash equivalents		937	920

Note: Non-consolidated

Source: Prepared by Stock Research Center based on the notifiable prospectus.

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