

Providing solutions to problems caused by declining and aging populations

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[7075 QLS Holdings Sector : Services]

Fiscal Year	Net sales	YoY	Operating profit	YoY	Ordinary profit	YoY	Profit	YoY	EPS	BPS	DPS
	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)	(yen)	(yen)	(yen)
Mar.2022	5,638	26.2	200	10.5	139	2.5x	13	-	6.7	267.7	0.0
Mar.2023	6,923	22.8	339	69.5	340	2.4x	229	17.6x	113.8	381.6	0.0
Mar.2024	f 7,649	10.5	346	2.1	327	-3.8	240	4.8	111.2	-	20.0

Note: Consolidated basis. Figures for the fiscal year ending March 2024 are the company's forecasts.

Offering Childcare, Nursing Care, and Temporary Staffing Businesses

QLS Holdings is a pure holding company that provides management and guidance to its subsidiaries. The company has three subsidiaries under its purview: Qualis and El Serve, which engage in childcare and nursing care business, and Dawin, which engages in temporary staffing and other businesses.

The childcare business accounted for 69.4% of net sales of fiscal year ended March 2023, the nursing care business for 14.4% and the temporary staffing business for 11.9%. The other business, under which the company sells products such as cell phones on consignment, accounted for 4.3% of net sales. In terms of profit contribution, it relies heavily on the childcare business. On a non-consolidated subsidiary basis, El Serve posted a net loss in fiscal year ended March 2023, and the company remains insolvent.

Facilities related to each of the company's areas of business are dispersed throughout the Kanto, Chubu, Kansai and Kyushu/Okinawa regions, but the Chubu area has relatively few locations. With regard to the Kyushu/Okinawa area, there is only one mobile sales office in Fukuoka Prefecture; all other locations are daycare centers and nursing care facilities situated in Okinawa Prefecture.

Childcare Business

Qualis and El Serve operate licensed daycare centers and other childcare facilities primarily in the cities of Osaka, Tokyo and Yokohama. The company operates a total of 40 facilities as of June 2023.

Nursing Care Business

As of June 2023, the companies operated a total of 46 locations. The companies operate nursing care facilities that provide home nursing care and home care support for persons with disabilities, mainly in Osaka and surrounding cities. Moreover, after regular school hours and on school holidays, they offer after-school day services for children with disabilities in Tokyo and Okinawa Prefecture. These services aim to improve life skills and provide developmental support according to the individual's circumstances. Additionally, it also offers communal living assistance in the form of group homes for persons with disabilities.

Temporary Staffing Business and Others

Dawin is engaged in the temporary staffing business. The company provides temporary staffing services at five locations: Tokyo, Aichi, Kyoto, Hyogo and Okinawa Prefectures. Its strength is in the dispatch of personnel to automobile manufacturers.

Financial Statements

Statement of income	Fiscal Year	Mar.2021		Mar.2022		Mar.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Net sales		4,468	100.0	5,638	100.0	6,923	100.0
Cost of sales		3,760	84.2	4,747	84.2	5,782	83.5
Gross profit		708	15.8	890	15.8	1,140	16.5
Selling, general and administrative expenses		527	11.8	690	12.2	801	11.6
Operating profit		181	4.1	200	3.5	339	4.9
Non-operating income		171	3.8	151	2.7	52	0.8
Non-operating expenses		296	6.6	212	3.8	51	0.7
Ordinary profit		55	1.2	139	2.5	340	4.9
Profit before income taxes		-248	-5.6	46	0.8	344	5.0
Profit attributable to owners of parent		-164	-3.7	13	0.2	229	3.3

Balance sheet	Fiscal Year	Mar.2021		Mar.2022		Mar.2023	
		(mn yen)	(%)	(mn yen)	(%)	(mn yen)	(%)
Current assets		2,762	65.7	3,025	64.1	2,175	57.7
Cash and deposits		1,105	26.3	1,123	23.8	1,226	32.5
Accounts receivable-trade		567	13.5	635	13.5	853	22.6
Inventories		4	0.1	1	0.0	1	0.0
Non-current assets		1,440	34.3	1,692	35.9	1,592	42.3
Property, plant and equipment		841	20.0	955	20.2	930	24.7
Intangible assets		33	0.8	20	0.4	14	0.4
Investments and other assets		565	13.4	716	15.2	647	17.2
Total assets		4,202	100.0	4,718	100.0	3,768	100.0
Current liabilities		2,393	56.9	2,730	57.9	1,439	38.2
Accounts payable - trade		10	0.2	18	0.4	23	0.6
Current portion of bonds payable		90	2.1	90	1.9	90	2.4
Current portion of long-term borrowings.		393	9.4	486	10.3	562	14.9
Non-current liabilities		1,283	30.5	1,448	30.7	1,560	41.4
Bonds payable		240	5.7	150	3.2	60	1.6
Long-term borrowings		960	22.8	1,236	26.2	1,438	38.2
Net assets		525	12.5	539	11.4	768	20.4
Owners' equity		525	12.5	539	11.4	768	20.4

Statement of cash flows	Fiscal Year	Mar.2021	Mar.2022	Mar.2023
		(mn yen)	(mn yen)	(mn yen)
Cash flows from operating activities		610	1,123	1,563
Depreciation		48	44	41
Cash flows from investing activities		-1,518	-1,697	-183
Cash flows from financing activities		1,029	597	-1,245
Dividends paid		-	-	-
Net increase in cash and cash equivalents		120	22	133
Cash and cash equivalents		959	982	1,115

Note:Consolidated

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

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