

Information

Spring & Summer Products



**Kotetchan for Adults
Flavorful Hot
Beef Horumon
Barbeque Taste**



**Kotetchan
Koku-miso
Flavor**



**Kotetchan for Adults
Flavorful Salt
Beef Horumon
Barbeque Taste**



New

Kotetchan Family Mixed Horumon Series

We launched a new series of products to let you enjoy the yumminess of horumon under the brand of "Kotetchan Family" which is a new member of "Kotetchan" mother brand.

New

Kotetchan Family Mixed Horumon, White

Beef small intestine and pork stomach were cooked with flavorful soy sauce using sesame oil.



New

Kotetchan Family Mixed Horumon, Red

Beef small intestine and pork outside skirt were cooked with rich mixed miso sauce.



New

Kotetchan Family Mixed Horumon, Hot

Beef small intestine and pork liver were cooked with hot miso sauce using rich gochujang and red pepper.



Shareholder Special Benefit Plan

Plan details

For shareholders registered in the shareholder's list as of the end of February each year

◎ Shareholders with 2,000 or more shares
Domestic beef or domestic pork worth 10,000 yen

◎ Shareholders with between 500 and 1,999 shares
S Foods' product worth 3,000 yen

※ The domestic beef (pork) and S Foods' product mentioned above will be sent to each shareholder in November (planned).

Special sale to the shareholders as of the end of February and the end of August, respectively

◎ Shareholders with 100 or more shares
Special discounts on S Foods Group's original products

※ "A special sale of our products will be informed to each eligible shareholder in June and November (planned)."

Domestic beef (wagyu)



Shabu-shabu or Sukiyaki



Steak

Domestic pork (Yume-no-Daichi)

※ Photos above are for illustrative purposes only.
Vegetables, plates and utensils in the photos are not included in the gifts.



Company Profile

Company Name: S Foods Inc.
(Listing exchange: Prime Market of Tokyo Stock Exchange, Securities code 2292)

Founding: May 22, 1967

Representative: Shinnosuke Murakami, President

Capital: 4,298,350,000 yen

Businesses: Meat Processing & Wholesale Business,
(Groups) Meat Retail Business, Meat Foodservice Business

Investor Information

- Business year: March 1 to the last day of February of the next year
- Date of record for distribution of year-end dividends: Last day of February
- Date of record for distribution of interim dividends: August 31
- Ordinary general meeting of shareholders: May of every year
- Administrator of shareholder list/
Management institution of special account:
Sumitomo Mitsui Trust Bank, Limited
1-4-1 Marunouchi, Chiyoda-ku, Tokyo
- Administrator of shareholder list
Handling office: Sumitomo Mitsui Trust Bank, Limited,
Stock Transfer Agency Business Planning Dept.
4-5-33 Kitahama, Chuo-ku, Osaka
- Mail: Sumitomo Mitsui Trust Bank, Limited,
Stock Transfer Agency Business Planning Dept.
2-8-4 Izumi, Suginami-ku, Tokyo 168-0063 Japan
- Phone: ☎0120-782-031 (toll free)
- Website: <https://www.smtb.jp/personal/agency/>

(Notes)

[Inquiries relating to procedure for changes to shareholder's address, etc.]
Shareholders who hold an account with a securities company are requested to contact their securities company, since Sumitomo Mitsui Trust Bank, Limited is not able to handle this procedure. Those who do not hold an account with a securities company should contact the administrator at the above phone number.

[Dividends receivable]

- Please contact Sumitomo Mitsui Trust Bank, Limited, the administrator of the shareholder list.
- Shares per sales Unit: 100



SFoods News

Report for the fiscal year ended February 28, 2023

March 1, 2022 to February 28, 2023



Shinnosuke Murakami
President

Business Overview Report

During the fiscal year ended February 28, 2023, in spite of the prolonged spread of the Covid-19 virus, businesses such as foodservice and tourism were on a recovery track, as no government restrictions on movement were introduced after the quasi-emergency measures were lifted in March 2022, and stimulative measures such as a travel subsidy program were implemented. However, the rapidly depreciating yen and energy and material price hikes raised the cost of living. In the meat industry as well, surging meat material prices and transportation costs made it difficult for businesses to secure a profit.

Under such circumstances, based on our company mottoes of "Contribute to the world with attractive stamina foods," and "Try to improve people's lives and culture along with company growth and development," we worked to continue and develop our business, aiming to provide our customers with safe food products securely as our primary goal. ↘



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↘ In the meat manufacturing and wholesale business, amid the unstable social situation and changing global supply-demand balance, we steadily implemented future-oriented investments. In the US, a new plant construction project at Aurora Packing Company has started and we expect to finish it by the end of next year. It will enable us to increase the production capacity and improve product quality. As for the domestic pork business in Hokkaido, a livestock expansion program at Hokkaido Chuo Bokujo has finished, and an expansion of the fabrication plant at Hidaka Meat Center is in progress and will finish in May this year. Regarding the development of domestic sales offices, the new Osaka sales office started operation in February this year, integrating the Osaka and Kobe offices. We continue to develop new offices in each region to enhance our sales network. In the products business, commemorating the 40th anniversary of “Kotetchan,” we launched a “thank you campaign” to promote our original brands. In the meat retail business, we set up a task force to facilitate decision-making and information sharing and to maintain store operations for our customers to shop safely and securely, while keeping in mind our mission to sustain local everyday life. In the meat foodservice business, quasi-emergency measures had forced many outlets in metropolitan and other urban areas to shut down or reduce business hours, but after the lifting of those measures in March, the outlets started to recover gradually, in the absence of further restrictions on movement. We also revised menus and prices at each restaurant chain and closed unprofitable outlets. During the term, although economic activity in Japan started to gain momentum as the number of Covid-19 cases subsided, material prices and other costs increased significantly. As a result, consolidated sales were 399,208 million yen, up 11.3% year-on-year, operating income was 14,571 million yen, down 16.4% year-on-year, ordinary income was 15,841 million yen, down 12.0% year-on-year, and net income attributable to owners of the parent was 10,570 million yen, down 11.5% year-on-year.

Business Outlook

Social turmoil caused by the Covid-19 pandemic, which afflicted Japanese society for more than three years, is now subsiding. Cities are restoring their vibrancy and affected industries seem to be rebuilding their business. However, in addition to ongoing price hikes, the energy and material supply chain crises caused by the Russian invasion of Ukraine and the rapid depreciation of the yen have brought a feeling of anxiety about the future of the Japanese economy. Under such circumstances, we will work to continue stable food supply and establish a solid management base.

In the meat manufacturing and wholesale business, we will further

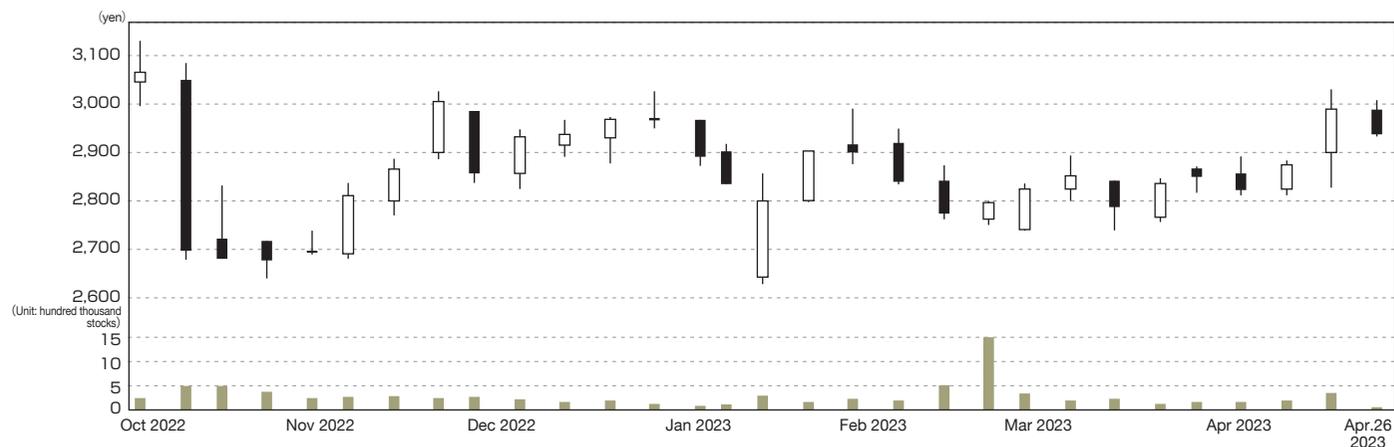
expand the meat production and procurement business, our farthest upstream sector, to stabilize our meat material supply network. Specifically, we plan to invest proactively in the overseas feeding business. In the domestic sector, we will establish a positive purchasing and sales strategy to increase the amount of livestock, mainly cattle and swine, and enhance our presence.

In the products business, we will develop and promote products that correspond to market trends. We will invest in new production methods to strengthen the processed foods category, which has traditionally been our weak point. In addition, we set up our new brand of “Kotetchan Family” alongside our main brand of “Kotetchan,” and will promote a broader brand development strategy.

In the meat retail business, we continue to stimulate existing stores to increase sales and close unprofitable stores, while opening stores at newly developed shopping complexes and developing new category stores. We also plan to streamline operations by utilizing logistic centers. In the meat foodservice business, we are committed to thoroughly implementing hygiene measures and equipping sanitary installations, as well as maintaining our original goal of steady profit-oriented management. Regarding improvement of group management, the unstable global situation requires us to act more closely, swiftly and with greater cooperation. We will work to achieve balanced development in our group through integral management. As for social management initiatives such as food safety and requirement for a sustainable society, we will implement more specific measures. Approaches to streamlining our operations will be accelerated using information technology.

As for the outlook for the year ending February 28, 2024, since it is expected that severe management conditions will continue with unpredictable material and energy prices due to the unstable global situation, despite the weakening effect of the Covid-19 pandemic, we forecast consolidated net sales of 420,000 million yen, up 5.2%

● Trends in Share Values and Trading Volumes



※TSE weekly chart

year-on-year, operating income of 13,500 million yen, down 7.4% year-on-year, ordinary income of 14,000 million yen, down 11.6% year-on-year, and net income attributable to owners of the parent of 10,000 million yen, down 5.4% year-on-year.

Mid-to Long-Term Management Strategy

Based on its management philosophy, the S Foods Group aims to become a multifaceted meat vendor group and continue focusing on the establishment of a stable food supply system, mainly for meats. Specifically, we will create an integrated intra-group food supply chain that covers upstream to downstream of the meat distribution channel -- everything from production to procurement and processing to distribution, along with retail sales and services for end-consumers. Furthermore, we will upgrade our meat distribution functions overseas as well as in Japan to increase our capability to cope with changes in social conditions.

Business Results and Financial Position (Consolidated)

Item	Term	FY Feb.2021 (55th term)	FY Feb.2022 (56th term)	FY Feb.2023 (57th term)	FY Feb.2024 (58th term) projected
Sales		327,479	358,824	399,208	420,000
Income from operations		12,609	17,427	14,571	13,500
Pre-tax earnings		12,990	17,999	15,841	14,000
Net income attributable to owners of the parent		9,965	11,944	10,570	10,000
Total assets		172,394	181,518	204,778	
Shareholder's equity		94,507	106,157	117,306	
Dividend per share		64yen	70yen	78yen	84yen

Unit : Million yen (excl. dividends)