

Introduction of Fall and Winter Products

●Kotetchan Beef Motsu-nabe Soup Series



Kotetchan Beef Motsu-nabe Soup: Soy Sauce-flavored Soup

This product is full of flavor and aroma, using soy sauce made in Kyushu (83% of soy sauce) and authentically brewed soy sauce. It also features seafood flavors such as Makurazaki dried bonito and Rishiri kelp for a rich, savory soup.



Kotetchan Beef Motsu-nabe Soup: Miso-Flavored Soup

This product has a rich and full-flavored miso taste from three kinds of miso – rice miso, mugi (barley) miso and reddish-brown miso. It is also made with stock from Rishiri kelp, sesame paste and sake lees as a secret ingredient to create a distinctive aromatic, rich and savory soup.



Kotetchan Beef Motsu-nabe Soup: Salty Taste Soup

This product uses four types of meat extracts such as beef extract from oxtail to create a rich and tasty soup. It also features a distinct aroma and spiciness by using black pepper with grains in different sizes.

●Shitagoshirae (Easy-to-Prepare) Series.....



Kotetchan Beef White Motsu

This product features beef motsu (giblets) that have been carefully prepared with a unique manufacturing process and seasoned with a Japanese-style broth of Rishiri kelp and Makurazaki dried bonito.



Stringy Beef (With Seasoning)

This product features stringy beef (membranes) that have been carefully prepared with a unique manufacturing process and seasoned with a Japanese-style broth of Rishiri kelp and Makurazaki dried bonito.

Microwave Cooking Series

This line of products comes in a microwave-safe container, eliminating the need for pots or dishes. The dishes can be served just by heating them in the microwave.



Kotetchan Beef Motsu Stew

This product features beef motsu (giblets), konnyaku and carrots prepared in a rich and thick miso sauce.



Beef Tongue Stew

This product features beef tongue, potatoes and carrots prepared in a demi-glace sauce using madeira wine (prepared product) and sweet fruit liquor to create a stew with rich and deep flavor.



Stringy Beef Stew

This product features stringy beef (membranes), konnyaku and vegetables given a sweet and salty flavor using authentically brewed soy sauce.

Company Profile

Company Name: S Foods Inc.
(Listing exchange: 1st section of TokyoStock Exchange, Securities code 2292)
Founding: May 22,1967
Representative: Shinnosuke Murakami, President
Capital: 4,298,350,000 yen
Businesses: Wholesale meat business, products business,
(Groups) retail & food service 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: <http://www.smbt.jp/personal/agency/index.html>

(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

[Change in Management institution of special account]

As of May 25, 2016, we changed the management institution of special account from Mitsubishi UFJ Trust and Banking Corporation to Sumitomo Mitsui Trust Bank, Limited.



SFoods News

Interim Annual Report for
the period ended August 31, 2017

March 1, 2017 to August 31, 2017



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Report on the S Foods Group's marketing situation and business performance

Shinnosuke Murakami
President

Business Environment for S Foods Inc.

During the March-August period, which corresponds to the consolidated accounting period for S Foods' first half of the current business year ending February 2018, the Japanese economy apparently followed a moderate recovery path overall, aided by steady earnings by domestic companies and the improved employment market, which more than offset market jitters amid uncertainties in the international situation. However, unstable business conditions continue to exist in the domestic meat industry against the background of the unstable supply-demand balance in the global food market.

Under these circumstances, the S Foods Group aimed to stabilize its business operations and ensure growth by further promoting its basic strategy of vertically integrating its meat businesses—production, processing, wholesale business, retail business and meat food service.

Business Outlook

In the meat processing and wholesale businesses, the Group continued to strengthen its foundation in the meat production segment during the period under review, while steadily promoting collaboration between the processing segment and the wholesale segment.

Specifically, in the meat production segment, the Group focused on strengthening production of Aurora Angus Beef, the finest-quality U.S. beef, while beginning preparations to expand production of "Yume no Daichi," a pork brand produced in Hokkaido.



Aurora Angus Beef

In the meat processing and wholesale segments, the Group launched a marketing campaign for its most famous "Kotetchan" brand through TV commercials. Furthermore, the Group stepped up the mutual linkage between its production and marketing functions, and implemented a marketing strategy that reflected the situation of each marketing channel. In the meat retail business, the Group strengthened its proposal-oriented marketing by holding various events, and continued to implement sales-boosting measures at existing meat stores, including restructuring store layouts. In addition, the Group reviewed the retail work process to improve productivity, and strengthened work shift control for appropriate manpower deployment. The Group also renovated existing stores, closed unprofitable stores, developed new stores in collaboration with new developers and opened new stores to promote new lines



Kotetchan Rich Soy Sauce

of business.

In the meat food service business, the Group implemented measures to improve its competitiveness, including developing new menus at its steak restaurant chains, and Korean-style barbecue and shabu-shabu restaurant chains, and closing unprofitable stores.



Koshigaya Obukuro store of meat shop Okubo

Business Performance

S Foods Inc. reported its consolidated business results in the March-August first half of the year ending February 28, 2018 as follows.

Net sales totaled 154,925 million yen (up 11.9% year-on-year), operating income 5,456 million yen (up 15.8% year-on-year), ordinary income 5,801 million yen (up 19.6% year-on-year) and net income attributable to owners of the parent 3,990 million yen (up 47.2% year-on-year).

Our business results by segment are shown below. Net sales represent sales to external customers and segment income is adjusted with operating income in the consolidated quarterly income statements.

(1) Meat processing and wholesale meat businesses

Net sales in the segment came to 139,268 million yen (up 13.4% year-on-year) and income 5,170 million yen (up 21.7% year-on-year).

(2) Meat retail business

Net sales in the segment came to 11,205 million yen (up 0.1% year-on-year) and income 538 million yen (down 22.7% year-on-year).

(3) Meat food service business

Net sales in the segment came to 3,768 million yen (down 1.0% year-on-year) and income 257 million yen (down 8.7% year-on-year)

(4) Other

Net sales in the segment came to 682 million yen (down 0.7% year-on-year) and income 67 million yen (down 1.7% year-on-year).

Business Results and Financial Position

Consolidated

Unit: Million yen

Item \ Term	The second quarter FY Aug. 2016	The second quarter FY Aug. 2017	FY Feb. 2017	FY Feb. 2018 projected
Sales	138,452	154,925	281,233	310,000
Income from operations	4,712	5,456	10,555	11,500
Pre-tax earnings	4,851	5,801	10,843	12,000
Net income attributable to owners of the parent	2,711	3,990	6,499	7,000
Total assets	126,050	151,276	134,271	—
Shareholder's equity	58,705	80,725	64,524	—

Dividends

(yen)

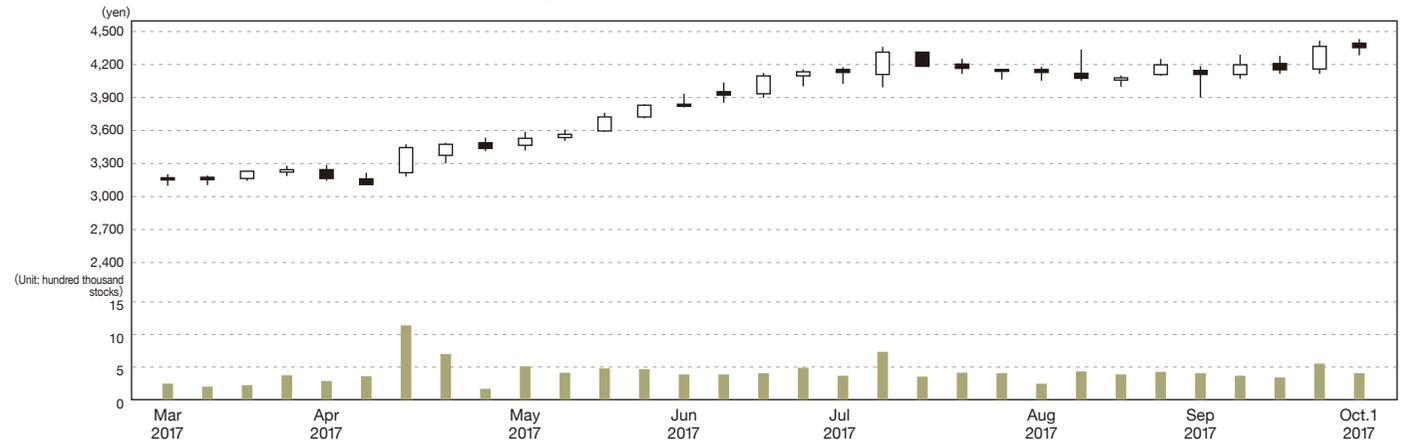
	FY Feb. 2015	FY Feb. 2016	FY Feb. 2017	FY Feb. 2018
Annual dividend per share	28	32	35	38*
(Interim dividend)	(14)	(16)	(17)	(19)
(Year-end dividend)	(14)	(16)	(18)	(19)*

Note: Figures with * are projections.

Share

Total shares authorized : 120,000,000
Total shares of common stock issued : 32,267,721
Shareholders : 4,203

Trends in Share Values and Trading Volumes



※TSE weekly chart