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Consolidated Financial Results for the Nine Months Ended November 30, 2021 [Japanese GAAP]

January 13, 2022

Company name: S Foods Inc.

Stock exchange listing: Tokyo

Code number: 2292

URL: <https://www.sfoods.co.jp>

Representative: Shinnosuke Murakami

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Scheduled date of filing quarterly securities report: January 14, 2022

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

President and Representative Director
Director Supervising Administration Group

(Amounts of less than one million yen are rounded down)

1. Consolidated Financial Results for the Nine Months Ended November 30, 2021 (March 01, 2021 to November 30, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended November 30, 2021	262,238	8.1	13,376	41.2	13,852	42.8	9,220	8.7
Nine months ended November 30, 2020	242,694	(7.0)	9,476	30.6	9,698	28.4	8,481	104.9

(Note) Comprehensive income: Nine months ended November 30, 2021: ¥ 10,158 million [20.0%]
 Nine months ended November 30, 2020: ¥ 8,465 million [298.2%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
November 30, 2021	291.67	-
November 30, 2020	267.97	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Million yen	Million yen	%
November 30, 2021	191,063	102,491	50.1
February 28, 2021	172,394	94,507	51.0

(Reference) Equity: As of November 30, 2021: ¥ 95,705 million
 As of February 28, 2021: ¥ 87,970 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 28, 2021	-	32.00	-	32.00	64.00
Fiscal year ending February 28, 2022	-	35.00	-		
Fiscal year ending February 28, 2022 (Forecast)				35.00	70.00

(Note) Revision to the forecast for dividends announced most recently: No

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2022(March 01, 2021 to February 28, 2022)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	355,000	8.4	17,000	34.8	17,500	34.7	11,500	15.4	363.75

(Note) Revision to the financial results forecast announced most recently: Yes

* Notes:

(1) Changes in significant subsidiaries during the nine months ended November 30, 2021

(changes in specified subsidiaries resulting in changes in scope of consolidation): No

New - (Company name:)

Exclusion: - (Company name:)

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: No

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Retrospective restatement: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

November 30, 2021: 32,267,721 shares

February 28, 2021: 32,267,721 shares

2) Total number of treasury shares at the end of the period:

November 30, 2021: 652,801 shares

February 28, 2021: 658,707 shares

3) Average number of shares during the period:

Nine months ended November 30, 2021: 31,612,416 shares

Nine months ended November 30, 2020: 31,650,393 shares

Quarterly Consolidated Financial Statements
 Quarterly Consolidated Balance Sheets

(Million yen)

	As of February 28,2021	As of November 30,2021
Assets		
Current assets		
Cash and deposits	40,284	39,506
Notes and accounts receivable - trade	32,754	39,149
Merchandise and finished goods	20,286	31,338
Work in process	1,630	1,722
Raw materials and supplies	3,965	4,835
Other	3,550	5,913
Allowance for doubtful accounts	(61)	(72)
Total current assets	102,409	122,394
Non-current assets		
Property, plant and equipment		
Buildings and structures	55,371	56,285
Accumulated depreciation	(25,795)	(27,510)
Buildings and structures, net	29,575	28,775
Land	15,152	15,244
Other	34,501	36,216
Accumulated depreciation	(23,676)	(25,294)
Other, net	10,825	10,922
Accumulated impairment loss	(3,162)	(3,296)
Total property, plant and equipment	52,391	51,644
Intangible assets		
Goodwill	100	287
Other	537	533
Total intangible assets	637	821
Investments and other assets		
Investment securities	13,220	12,667
Retirement benefit asset	118	137
Other	3,823	3,602
Allowance for doubtful accounts	(206)	(204)
Total investments and other assets	16,955	16,202
Total non-current assets	69,984	68,668
Total assets	172,394	191,063

(Million yen)

	As of February 28,2021	As of November 30,2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,032	31,019
Short-term borrowings	7,825	13,679
Income taxes payable	3,578	1,196
Provision for bonuses	1,023	2,001
Other	12,107	11,071
Total current liabilities	48,568	58,969
Non-current liabilities		
Bonds payable	550	450
Long-term borrowings	24,052	24,853
Provision for retirement benefits for directors (and other officers)	220	169
Retirement benefit liability	1,928	1,926
Other	2,568	2,202
Total non-current liabilities	29,319	29,601
Total liabilities	77,887	88,571
Net assets		
Shareholders' equity		
Share capital	4,298	4,298
Capital surplus	18,723	18,739
Retained earnings	62,805	69,907
Treasury shares	(414)	(410)
Total shareholders' equity	85,412	92,534
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,826	2,483
Deferred gains or losses on hedges	(3)	13
Foreign currency translation adjustment	(281)	660
Remeasurements of defined benefit plans	15	13
Total accumulated other comprehensive income	2,557	3,171
Non-controlling interests	6,536	6,786
Total net assets	94,507	102,491
Total liabilities and net assets	172,394	191,063

Quarterly Consolidated Statements of Income and Comprehensive Income
 Quarterly Consolidated Statements of Income (For the nine months)

(Million yen)

	For the nine months ended November 30,2020	For the nine months ended November 30,2021
Net sales	242,694	262,238
Cost of sales	204,689	219,913
Gross profit	38,005	42,325
Selling, general and administrative expenses	28,529	28,948
Operating profit	9,476	13,376
Non-operating income		
Interest income	40	16
Dividend income	249	301
Rental income from buildings	100	98
Share of profit of entities accounted for using equity method	19	7
Other	401	398
Total non-operating income	810	821
Non-operating expenses		
Interest expenses	198	197
Arrangement fee	106	-
Foreign exchange losses	81	26
Rent cost	34	34
Other	168	88
Total non-operating expenses	589	346
Ordinary profit	9,698	13,852
Extraordinary income		
Gain on sales of non-current assets	4,069	10
Gain on sales of investment securities	31	3
Subsidy income	548	710
Compensation income	3	1
Total extraordinary income	4,652	725
Extraordinary losses		
Loss on disposal of non-current assets	191	240
Impairment loss	45	161
Loss on store closings	42	0
Loss on temporary store closings	216	363
Loss on tax purpose reduction entry of non-current assets	443	-
Loss on valuation of investment securities	61	-
Other	-	3
Total extraordinary losses	1,001	770
Profit before income taxes	13,349	13,807
Income taxes	4,606	4,261
Profit	8,743	9,545
Profit attributable to non-controlling interests	261	325
Profit attributable to owners of parent	8,481	9,220

Quarterly Consolidated Statements of Comprehensive Income (For the nine months)

(Million yen)

	For the nine months ended November 30,2020	For the nine months ended November 30,2021
Profit	8,743	9,545
Other comprehensive income		
Valuation difference on available-for-sale securities	(42)	(342)
Deferred gains or losses on hedges	0	16
Foreign currency translation adjustment	(239)	942
Remeasurements of defined benefit plans, net of tax	7	(2)
Share of other comprehensive income of entities accounted for using equity method	(4)	(0)
Total other comprehensive income	(277)	613
Comprehensive income	8,465	10,158
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,178	9,834
Comprehensive income attributable to non-controlling interests	287	324