

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.



Consolidated Financial Results for the Three Months Ended May 31, 2022 [Japanese GAAP]

July 13, 2022

Company name: S Foods Inc.

Stock exchange listing: Tokyo

Code number: 2292

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

Representative: Shinnosuke Murakami

President and Representative Director

Contact: Yosuke Yuasa

Director Supervising Administration Group

Phone: 0798(43)1065

Scheduled date of filing quarterly securities report: July 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

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

1. Consolidated Financial Results for the Three Months Ended May 31, 2022 (March 01, 2022 to May 31, 2022)

(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	%
Three months ended								
May 31, 2022	95,530	16.7	4,786	29.7	5,219	37.7	3,343	30.7
May 31, 2021	81,876	5.6	3,690	94.9	3,791	132.5	2,558	117.4

(Note) Comprehensive income: Three months ended May 31, 2022: ¥ 4,100 million [19.5%]
Three months ended May 31, 2021: ¥ 3,431 million [93.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended		
May 31, 2022	105.76	-
May 31, 2021	80.95	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Million yen	Million yen	%
As of			
May 31, 2022	198,769	109,075	51.4
February 28, 2022	181,518	106,157	54.7

(Reference) Equity: As of May 31, 2022: ¥ 102,133 million
As of February 28, 2022: ¥ 99,256 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, 2022	-	35.00	-	35.00	70.00
Fiscal year ending February 28, 2023	-				
Fiscal year ending February 28, 2023 (Forecast)		39.00	-	39.00	78.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2023(March 01, 2022 to February 28, 2023)

(% 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	375,000	4.5	14,800	(15.1)	15,000	(16.7)	10,000	(16.3)	316.31

(Note) Revision to the financial results forecast announced most recently: No

* Notes:

(1) Changes in significant subsidiaries during the three months ended May 31, 2022

(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: Yes

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):

May 31, 2022: 32,267,721 shares

February 28, 2022: 32,267,721 shares

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

May 31, 2022: 652,801 shares

February 28, 2022: 652,801 shares

3) Average number of shares during the period:

Three months ended May 31, 2022: 31,614,920 shares

Three months ended May 31, 2021: 31,608,919 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Million yen)

	As of February 28,2022	As of May 31,2022
Assets		
Current assets		
Cash and deposits	41,859	43,629
Notes and accounts receivable - trade	32,149	38,366
Merchandise and finished goods	25,207	31,543
Work in process	1,799	1,986
Raw materials and supplies	3,985	4,152
Other	6,321	7,254
Allowance for doubtful accounts	(38)	(46)
Total current assets	111,285	126,885
Non-current assets		
Property, plant and equipment		
Buildings and structures	57,186	57,746
Accumulated depreciation	(27,798)	(28,419)
Buildings and structures, net	29,387	29,326
Land	15,299	14,965
Other	36,576	39,800
Accumulated depreciation	(25,584)	(26,243)
Other, net	10,991	13,556
Accumulated impairment	(3,515)	(3,651)
Total property, plant and equipment	52,163	54,197
Intangible assets		
Goodwill	257	242
Other	481	457
Total intangible assets	739	699
Investments and other assets		
Investment securities	13,887	13,455
Retirement benefit asset	151	157
Other	3,494	3,572
Allowance for doubtful accounts	(202)	(200)
Total investments and other assets	17,331	16,985
Total non-current assets	70,233	71,883
Total assets	181,518	198,769

(Million yen)

	As of February 28,2022	As of May 31,2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,475	33,264
Short-term borrowings	5,533	9,038
Income taxes payable	1,770	1,762
Provision for bonuses	1,054	1,431
Other	10,880	12,126
Total current liabilities	41,714	57,624
Non-current liabilities		
Bonds payable	450	400
Long-term borrowings	28,779	27,486
Provision for retirement benefits for directors (and other officers)	174	124
Retirement benefit liability	1,886	1,906
Other	2,357	2,151
Total non-current liabilities	33,647	32,069
Total liabilities	75,361	89,693
Net assets		
Shareholders' equity		
Share capital	4,298	4,298
Capital surplus	18,739	18,739
Retained earnings	72,631	74,868
Treasury shares	(410)	(410)
Total shareholders' equity	95,258	97,495
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,956	2,674
Deferred gains or losses on hedges	13	70
Foreign currency translation adjustment	989	1,858
Remeasurements of defined benefit plans	38	35
Total accumulated other comprehensive income	3,998	4,638
Non-controlling interests	6,900	6,941
Total net assets	106,157	109,075
Total liabilities and net assets	181,518	198,769

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Million yen)

	For the three months ended May 31,2021	For the three months ended May 31,2022
Net sales	81,876	95,530
Cost of sales	68,843	81,402
Gross profit	13,032	14,127
Selling, general and administrative expenses	9,341	9,341
Operating profit	3,690	4,786
Non-operating income		
Interest income	4	28
Dividend income	7	6
Rental income from buildings	33	51
Share of profit of entities accounted for using equity method	0	4
Foreign exchange gains	25	285
Other	130	158
Total non-operating income	201	534
Non-operating expenses		
Interest expenses	66	65
Rent cost	11	11
Other	22	24
Total non-operating expenses	101	101
Ordinary profit	3,791	5,219
Extraordinary income		
Gain on sale of non-current assets	0	1
Gain on sale of investment securities	0	-
Subsidy income	150	115
Compensation income	1	-
Total extraordinary income	152	116
Extraordinary losses		
Loss on disposal of non-current assets	6	28
Impairment losses	0	-
Loss on store closings	0	0
Loss on temporary store closings	98	30
Loss on tax purpose reduction entry of non-current assets	-	50
Total extraordinary losses	106	110
Profit before income taxes	3,837	5,225
Income taxes	1,189	1,761
Profit	2,648	3,463
Profit attributable to non-controlling interests	89	120
Profit attributable to owners of parent	2,558	3,343

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

(Million yen)

	For the three months ended May 31,2021	For the three months ended May 31,2022
Profit	2,648	3,463
Other comprehensive income		
Valuation difference on available-for-sale securities	174	(285)
Deferred gains or losses on hedges	37	56
Foreign currency translation adjustment	568	864
Remeasurements of defined benefit plans, net of tax	(0)	(3)
Share of other comprehensive income of entities accounted for using equity method	3	5
Total other comprehensive income	782	636
Comprehensive income	3,431	4,100
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,341	3,983
Comprehensive income attributable to non-controlling interests	89	116