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Consolidated Financial Results for the Three Months Ended May 31, 2023 [Japanese GAAP]

July 13, 2023

Company name: S Foods Inc.
Stock exchange listing: Tokyo
Code number: 2292

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

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Scheduled date of filing quarterly securities report: July 14, 2023

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
Corporate Officer Supervising Administration Group

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

1. Consolidated Financial Results for the Three Months Ended May 31, 2023 (March 1, 2023 to May 31, 2023)

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended May 31, 2023	103,043	7.9	3,985	(16.7)	4,019	(23.0)	3,704	10.8
May 31, 2022	95,530	16.7	4,786	29.7	5,219	37.7	3,343	30.7

(Note) Comprehensive income: Three months ended May 31, 2023: ¥ 4,842 million [18.1%]
Three months ended May 31, 2022: ¥ 4,100 million [19.5%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2023	117.14	-
May 31, 2022	105.76	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
May 31, 2023	206,744	119,446	54.2
February 28, 2023	204,778	117,306	53.8

(Reference) Equity: As of May 31, 2023: ¥ 112,115 million
As of February 28, 2023: ¥ 110,092 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, 2023	-	39.00	-	39.00	78.00
Fiscal year ending February 29, 2024	-				
Fiscal year ending February 29, 2024 (Forecast)		42.00	-	42.00	84.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 29, 2024(March 1, 2023 to February 29, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	420,000	5.2	13,500	(7.4)	14,000	(11.6)	10,000	(5.4)	316.24

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended May 31, 2023

(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):

May 31, 2023: 32,267,721 shares

February 28, 2023: 32,267,721 shares

2) Number of treasury shares at the end of the period:

May 31, 2023: 646,660 shares

February 28, 2023: 646,640 shares

3) Average number of shares outstanding during the period:

Three months ended May 31, 2023: 31,621,079 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2023	As of May 31, 2023
Assets		
Current assets		
Cash and deposits	46,862	35,355
Notes and accounts receivable - trade	35,212	39,985
Merchandise and finished goods	28,304	32,523
Work in process	2,049	7,893
Raw materials and supplies	5,644	6,344
Other	9,778	4,703
Allowance for doubtful accounts	(48)	(53)
Total current assets	127,803	126,753
Non-current assets		
Property, plant and equipment		
Buildings and structures	60,419	60,365
Accumulated depreciation	(29,822)	(29,615)
Buildings and structures, net	30,597	30,750
Land	14,989	14,916
Other	44,843	45,316
Accumulated depreciation	(27,550)	(28,008)
Other, net	17,293	17,308
Accumulated impairment	(3,796)	(2,591)
Total property, plant and equipment	59,084	60,383
Intangible assets		
Goodwill	197	182
Other	389	366
Total intangible assets	586	549
Investments and other assets		
Investment securities	13,920	13,775
Retirement benefit asset	180	186
Other	3,391	5,283
Allowance for doubtful accounts	(188)	(187)
Total investments and other assets	17,304	19,058
Total non-current assets	76,974	79,990
Total assets	204,778	206,744

(Millions of yen)

	As of February 28, 2023	As of May 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,964	30,231
Short-term borrowings	12,275	11,981
Income taxes payable	2,792	1,385
Provision for bonuses	1,083	1,524
Other	12,457	14,208
Total current liabilities	55,572	59,329
Non-current liabilities		
Bonds payable	350	300
Long-term borrowings	26,971	22,237
Provision for retirement benefits for directors (and other officers)	140	119
Retirement benefit liability	2,035	1,995
Other	2,401	3,314
Total non-current liabilities	31,899	27,967
Total liabilities	87,472	87,297
Net assets		
Shareholders' equity		
Share capital	4,298	4,298
Capital surplus	18,754	18,754
Retained earnings	80,861	81,939
Treasury shares	(407)	(407)
Total shareholders' equity	103,507	104,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,332	3,591
Deferred gains or losses on hedges	(61)	20
Foreign currency translation adjustment	3,362	3,964
Remeasurements of defined benefit plans	(47)	(45)
Total accumulated other comprehensive income	6,585	7,530
Non-controlling interests	7,213	7,331
Total net assets	117,306	119,446
Total liabilities and net assets	204,778	206,744

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the three months)

(Millions of yen)

	For the three months ended May 31, 2022	For the three months ended May 31, 2023
Net sales	95,530	103,043
Cost of sales	81,402	89,252
Gross profit	14,127	13,790
Selling, general and administrative expenses	9,341	9,805
Operating profit	4,786	3,985
Non-operating income		
Interest income	28	61
Dividend income	6	5
Rental income from buildings	51	46
Share of profit of entities accounted for using equity method	4	1
Foreign exchange gains	285	-
Other	158	161
Total non-operating income	534	276
Non-operating expenses		
Interest expenses	65	61
Foreign exchange losses	-	144
Rent cost	11	10
Other	24	26
Total non-operating expenses	101	243
Ordinary profit	5,219	4,019
Extraordinary income		
Gain on sale of non-current assets	1	3
Gain on sale of shares of subsidiaries and associates	-	1,388
Gain on sale of investment securities	-	4
Subsidy income	115	1,584
Total extraordinary income	116	2,980
Extraordinary losses		
Loss on disposal of non-current assets	28	15
Loss on store closings	0	1
Loss on temporary store closings	30	-
Loss on tax purpose reduction entry of non-current assets	50	1,583
Loss on sale of investment securities	-	4
Loss on valuation of investment securities	-	352
Total extraordinary losses	110	1,957
Profit before income taxes	5,225	5,041
Income taxes	1,761	1,155
Profit	3,463	3,886
Profit attributable to non-controlling interests	120	181
Profit attributable to owners of parent	3,343	3,704

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

(Millions of yen)

	For the three months ended May 31, 2022	For the three months ended May 31, 2023
Profit	3,463	3,886
Other comprehensive income		
Valuation difference on available-for-sale securities	(285)	270
Deferred gains or losses on hedges	56	82
Foreign currency translation adjustment	864	602
Remeasurements of defined benefit plans, net of tax	(3)	1
Share of other comprehensive income of entities accounted for using equity method	5	-
Total other comprehensive income	636	956
Comprehensive income	4,100	4,842
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	3,983	4,649
Comprehensive income attributable to non-controlling interests	116	193