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Consolidated Financial Results for the Three Months Ended May 31, 2024 [Japanese GAAP]

July 12, 2024

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

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

Representative: Shinnosuke Murakami

Contact: Kenji Unoki

Phone: +81-798(43)1065

Scheduled date of filing quarterly securities report: July 16, 2024

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, 2024 (March 1, 2024 to May 31, 2024)

(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, 2024	109,600	6.4	1,272	(68.1)	1,681	(58.2)	671	(81.9)
May 31, 2023	103,043	7.9	3,985	(16.7)	4,019	(23.0)	3,704	10.8

(Note) Comprehensive income: Three months ended May 31, 2024: ¥ 4,053 million [(16.3)%]
Three months ended May 31, 2023: ¥ 4,842 million [18.1%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 31, 2024	21.23	-
May 31, 2023	117.14	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
May 31, 2024	232,085	129,195	52.3
February 29, 2024	224,240	126,576	53.0

(Reference) Equity: As of May 31, 2024: ¥ 121,336 million
As of February 29, 2024: ¥ 118,783 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 29, 2024	-	42.00	-	42.00	84.00
Fiscal year ending February 28, 2025	-				
Fiscal year ending February 28, 2025 (Forecast)		44.00	-	45.00	89.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 28, 2025(March 1, 2024 to February 28, 2025)

(% 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	445,000	4.7	11,500	(9.3)	12,500	(13.1)	8,000	(11.8)	252.88

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

* Notes:

(1) Changes in significant subsidiaries during the three months ended May 31, 2024

(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, 2024: 32,267,721 shares

February 29, 2024: 32,267,721 shares

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

May 31, 2024: 632,576 shares

February 29, 2024: 632,484 shares

3) Average number of shares outstanding during the period:

Three months ended May 31, 2024: 31,635,175 shares

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

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Assets		
Current assets		
Cash and deposits	49,858	41,947
Notes and accounts receivable - trade	40,216	44,881
Merchandise and finished goods	27,382	33,596
Work in process	9,529	8,986
Raw materials and supplies	4,845	4,461
Other	4,328	4,725
Allowance for doubtful accounts	(46)	(53)
Total current assets	136,114	138,545
Non-current assets		
Property, plant and equipment		
Buildings and structures	61,128	61,391
Accumulated depreciation	(31,105)	(31,631)
Buildings and structures, net	30,023	29,759
Land	15,814	15,857
Other	53,157	57,351
Accumulated depreciation	(29,830)	(30,560)
Other, net	23,327	26,790
Accumulated impairment	(2,796)	(2,741)
Total property, plant and equipment	66,369	69,666
Intangible assets		
Goodwill	253	231
Other	306	300
Total intangible assets	559	531
Investments and other assets		
Investment securities	16,611	17,616
Retirement benefit asset	200	202
Other	4,576	5,709
Allowance for doubtful accounts	(193)	(186)
Total investments and other assets	21,196	23,341
Total non-current assets	88,125	93,540
Total assets	224,240	232,085

(Millions of yen)

	As of February 29, 2024	As of May 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	25,803	32,931
Short-term borrowings	7,866	11,090
Income taxes payable	1,989	1,135
Provision for bonuses	1,363	1,560
Other	17,858	15,728
Total current liabilities	54,881	62,445
Non-current liabilities		
Bonds payable	250	200
Long-term borrowings	35,516	33,583
Provision for retirement benefits for directors (and other officers)	128	99
Retirement benefit liability	1,818	1,773
Other	5,069	4,788
Total non-current liabilities	42,782	40,444
Total liabilities	97,664	102,890
Net assets		
Shareholders' equity		
Share capital	4,298	4,298
Capital surplus	18,792	18,790
Retained earnings	85,994	85,337
Treasury shares	(397)	(397)
Total shareholders' equity	108,688	108,028
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,155	5,849
Deferred gains or losses on hedges	(70)	30
Foreign currency translation adjustment	4,930	7,351
Remeasurements of defined benefit plans	79	76
Total accumulated other comprehensive income	10,095	13,307
Non-controlling interests	7,792	7,858
Total net assets	126,576	129,195
Total liabilities and net assets	224,240	232,085

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, 2023	For the three months ended May 31, 2024
Net sales	103,043	109,600
Cost of sales	89,252	98,256
Gross profit	13,790	11,344
Selling, general and administrative expenses	9,805	10,072
Operating profit	3,985	1,272
Non-operating income		
Interest income	61	185
Dividend income	5	5
Rental income from buildings	46	55
Share of profit of entities accounted for using equity method	1	1
Foreign exchange gains	-	119
Other	161	139
Total non-operating income	276	507
Non-operating expenses		
Interest expenses	61	63
Foreign exchange losses	144	-
Rent cost	10	12
Other	26	22
Total non-operating expenses	243	97
Ordinary profit	4,019	1,681
Extraordinary income		
Gain on sale of non-current assets	3	3
Gain on sale of shares of subsidiaries and associates	1,388	-
Gain on sale of investment securities	4	-
Subsidy income	1,584	-
Total extraordinary income	2,980	3
Extraordinary losses		
Loss on disposal of non-current assets	15	5
Loss on store closings	1	-
Loss on tax purpose reduction entry of non-current assets	1,583	-
Loss on sale of investment securities	4	-
Loss on valuation of investment securities	352	-
Loss on transfer of subsidiary	-	149
Total extraordinary losses	1,957	154
Profit before income taxes	5,041	1,530
Income taxes	1,155	688
Profit	3,886	842
Profit attributable to non-controlling interests	181	171
Profit attributable to owners of parent	3,704	671

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

(Millions of yen)

	For the three months ended May 31, 2023	For the three months ended May 31, 2024
Profit	3,886	842
Other comprehensive income		
Valuation difference on available-for-sale securities	270	693
Deferred gains or losses on hedges	82	101
Foreign currency translation adjustment	602	2,420
Remeasurements of defined benefit plans, net of tax	1	(4)
Total other comprehensive income	956	3,211
Comprehensive income	4,842	4,053
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,649	3,883
Comprehensive income attributable to non-controlling interests	193	170