

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended April 30, 2022 (Based on Japanese GAAP)

June 3, 2022

Company name: Pharma Foods International Co.,Ltd.  
 Stock exchange listing: Tokyo  
 Stock code: 2929 URL <https://www.pharmafoods.co.jp>  
 Representative: President Mujo Kim  
 General Manager of Administration  
 Inquiries: Department Atsushi Yamatsu TEL 075-394-8600  
 Scheduled date to file Quarterly Securities Report: June 14, 2022  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended April 30, 2022 (from August 1, 2021 to April 30, 2022)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended April 30, 2022	44,050	30.5	931	(64.6)	1,076	(60.4)	(284)	–
Nine months ended April 30, 2021	33,748	203.7	2,633	–	2,716	–	1,553	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended April 30, 2022	(9.80)		–	
Nine months ended April 30, 2021	53.49		53.46	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2022	30,273	7,097	23.4
As of July 31, 2021	20,944	8,465	40.4

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended July 31, 2021	–	5.00	–	20.00	25.00
Year ending July 31, 2022	–	10.00	–		
Year ending July 31, 2022 (Forecast)				10.00	20.00

3. Forecast of consolidated financial results for the year ending July 31, 2022 (from August 1, 2021 to July 31, 2022)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	60,900	30.3	3	(99.9)	147	(97.5)	(1,500)	–	(51.71)

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended April 30, 2022  
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: No
- (3) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements
- Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of April 30, 2022	29,073,800 shares	As of July 31, 2021	29,062,100 shares
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Number of treasury shares at the end of the period

As of April 30, 2022	50,053 shares	As of July 31, 2021	– shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended April 30, 2022	29,002,044 shares	Nine months ended April 30, 2021	29,051,563 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of July 31, 2021	As of April 30, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	9,794	9,545
Notes and accounts receivable - trade	4,920	5,946
Electronically recorded monetary claims - operating	–	567
Merchandise and finished goods	2,659	4,832
Work in process	54	472
Raw materials and supplies	35	628
Other	473	1,173
Allowance for doubtful accounts	(3)	(2)
Total current assets	17,933	23,165
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	879	2,526
Machinery, equipment and vehicles, net	4	393
Tools, furniture and fixtures, net	178	176
Land	726	1,491
Leased assets, net	20	33
Construction in progress	–	76
Total property, plant and equipment	1,808	4,700
Intangible assets		
Goodwill	140	222
Other	45	36
Total intangible assets	185	259
Investments and other assets		
Investment securities	335	1,380
Other	680	768
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	1,016	2,149
Total non-current assets	3,010	7,108
Total assets	20,944	30,273

(Millions of yen)

	As of July 31, 2021	As of April 30, 2022
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	846	1,169
Short-term borrowings	2,500	13,000
Current portion of long-term borrowings	939	745
Accounts payable - other	3,283	5,677
Income taxes payable	2,000	105
Provision for bonuses	3	168
Other	1,404	808
Total current liabilities	10,978	21,674
Non-current liabilities		
Long-term borrowings	1,458	913
Retirement benefit liability	16	435
Other	24	152
Total non-current liabilities	1,499	1,501
Total liabilities	12,478	23,176
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,038	2,042
Capital surplus	1,817	1,820
Retained earnings	4,599	3,390
Treasury shares	—	(138)
Total shareholders' equity	8,455	7,114
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8	(17)
Total accumulated other comprehensive income	8	(17)
Share acquisition rights	1	0
Total net assets	8,465	7,097
Total liabilities and net assets	20,944	30,273

**Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)**

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Nine months ended April 30, 2021	Nine months ended April 30, 2022
Net sales	33,748	44,050
Cost of sales	5,062	8,828
Gross profit	28,685	35,222
Selling, general and administrative expenses		
Research and development expenses	354	475
Advertising expenses	19,365	26,158
Commission expenses	1,973	2,465
Amortization of goodwill	32	34
Other	4,327	5,156
Total selling, general and administrative expenses	26,052	34,290
Operating profit	2,633	931
Non-operating income		
Interest income	2	1
Dividend income	0	24
Foreign exchange gains	22	29
Subsidy income	34	74
Share of profit of entities accounted for using equity method	9	12
Outsourcing service income	12	12
Other	15	21
Total non-operating income	97	175
Non-operating expenses		
Interest expenses	9	18
Commission expenses	5	12
Other	0	0
Total non-operating expenses	14	30
Ordinary profit	2,716	1,076
Extraordinary income		
Gain on bargain purchase	–	82
Total extraordinary income	–	82
Extraordinary losses		
Loss on retirement of non-current assets	0	0
Total extraordinary losses	0	0
Profit before income taxes	2,715	1,158
Income taxes	1,161	1,442
Profit (loss)	1,553	(284)
Profit (loss) attributable to owners of parent	1,553	(284)

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Nine months ended April 30, 2021	Nine months ended April 30, 2022
Profit (loss)	1,553	(284)
Other comprehensive income		
Valuation difference on available-for-sale securities	(24)	(26)
Deferred gains or losses on hedges	0	–
Total other comprehensive income	(24)	(26)
Comprehensive income	1,529	(310)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,529	(310)