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## Consolidated Financial Results for the Nine Months Ended December 31, 2022 [Japanese GAAP]



February 13, 2023

Company name: Synchro Food Co., Ltd.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3963  
 URL: <https://www.synchro-food.co.jp>  
 Representative: Shinichi Fujishiro, President and CEO and Chief of Operating for the Business Department  
 Contact: Masaki Morita, Director & Chief of Operating for the Administrative Department  
 Phone: +81-3-5768-9522  
 Scheduled date of filing quarterly securities report: February 13, 2023  
 Scheduled date of commencing dividend payments: –  
 Availability of quarterly financial results briefing materials: Available  
 Schedule of quarterly financial results briefing session: Not scheduled

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

### 1. Consolidated Financial Results for the Nine Months Ended December 31, 2022 (April 1, 2022 - December 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	%
Nine months ended December 31, 2022	2,105	54.1	648	135.6	650	134.7	438	145.2
December 31, 2021	1,366	59.3	275	–	277	–	178	–

Note: Comprehensive income: Nine months ended December 31, 2022: 438 million yen [145.2%]  
 Nine months ended December 31, 2021: 178 million yen [–%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2022	16.44	–
December 31, 2021	6.72	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2022	3,934	3,345	85.0
As of March 31, 2022	3,403	2,871	84.3

Reference: Equity: As of December 31, 2022: 3,344 million yen  
 As of March 31, 2022: 2,870 million yen

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2022	–	0.00	–	0.00	0.00
Fiscal year ending March 31, 2023	–	0.00	–		
Fiscal year ending March 31, 2023 (Forecast)				0.00	0.00

Note: Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2023 (April 1, 2022 - March 31, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	2,760	40.9	730	62.0	730	61.2	511	50.4	19.16

Note: Revision to the financial results forecast announced most recently: None

### \* Notes:

- (1) Changes in significant subsidiaries during the period under review: None  
(Changes in specified subsidiaries resulting in changes in scope of consolidation)  
Newly included: – ( ), Excluded: – ( )
- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
  - 1) Changes in accounting policies due to the revision of accounting standards: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (4) Total number of issued and outstanding shares (common shares)
  - 1) Total number of issued and outstanding shares at the end of the period (including treasury shares):
 

December 31, 2022:	26,893,800 shares
March 31, 2022:	26,893,800 shares
  - 2) Total number of treasury shares at the end of the period:
 

December 31, 2022:	201,807 shares
March 31, 2022:	292,607 shares
  - 3) Average number of shares during the period:
 

Nine months ended December 31, 2022:	26,655,012 shares
Nine months ended December 31, 2021:	26,573,128 shares

*\* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.*

*\* Explanation of the proper use of financial results forecast and other notes*

The financial results forecast and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended as the Company's guarantee to achieve them. Actual results may differ significantly due to various factors. For conditions underlying the results forecast and matters of note on the use of the results forecast and other material, please see "1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of Attachments.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

During the nine months ended December 31, 2022, amid the continued impact of COVID-19, the Japanese economy showed some signs of recovery with a trend to vigorously continue social economic activities following the spread of vaccines and other measures. However, the outlook remains unpredictable due to factors such as downside risks in overseas economies mainly against the background of global monetary tightening, as well as soaring raw material and energy costs.

In such a business environment, Synchro Food Co., Ltd. (the “Company”) and its subsidiaries (collectively, the “Group”) embraced its vision of “Spreading happiness generated from various eating and drinking experiences throughout Japan and all over the world,” and promoted its businesses under the two management objectives, “Steady implementation in the first year of the new medium-term management plan” and “Promotion of rebranding.”

As a result of the above, the Group’s financial results for the nine months ended December 31, 2022 were net sales of 2,105,508 thousand yen (up 54.1% year on year), operating profit of 648,452 thousand yen (up 135.6% year on year), ordinary profit of 650,106 thousand yen (up 134.7% year on year), and profit attributable to owners of parent of 438,246 thousand yen (up 145.2% year on year).

Net sales by service category comprises 1,664,372 thousand yen in Service in Stage 3 (operating) (up 70.4% year on year), 301,122 thousand yen (up 11.9% year on year) in Service in Stages 1, 2, 4 (preparation, opening and closing business), and 140,014 thousand yen (up 16.4% year on year) in Other.

Status by segment is as follows. The Group previously had three reportable segments of Media Platform business, M&A Services business, and Other businesses. However, Synchro Career Co., Ltd., which was the main part of the Other businesses, was dissolved as of July 1, 2021 through an absorption-type merger with the Company as the surviving company. Accordingly, the Company has changed the reportable segments to the following two: Media Platform business and M&A Services business. For details, please see 2. Quarterly Consolidated Financial Statements and Principal Notes (3) Notes to Quarterly Consolidated Financial Statements (Segment information, etc.).

#### [Media Platform business]

The Media Platform business comprises services offered to restaurant operators through Inshokuten.com as well as services offered to related business operators including real estate agents and food suppliers who offer their services via Inshokuten.com.

As of December 31, 2022, the number of registered Inshokuten.com members was 257,359 (up 12.8% year on year), showing steady growth, helped by a recovery trend in store opening, refurbishment, changes in business format, and other activities continuing from the first half of the fiscal year. In the recruitment advertising services, the increase in economic activity has accelerated recruitment in the restaurant industry, and net sales increased mainly due to activities to drive the development of new customers and the retention of existing customers.

In addition, the number of real estate agents, interior furnishing service providers and related business operators who provide services via Inshokuten.com, increased to 4,784 companies (up 3.3% year on year) (Note).

As a result of the above, net sales in the Media Platform business were 1,970,582 thousand yen (up 57.5% year on year), and segment profit was 621,293 thousand yen (up 131.2% year on year).

#### [M&A Services business]

This business comprises M&A-related services such as business transfers and share transfers, and support services to facilitate fully-furnished asset transfers, where the business can be transferred without removing the furnishings of the former restaurant operator.

Continuing from the second quarter, the number of M&A deals and fully-furnished asset transfers remained at a high level. In M&A services, the timing of transfers was pushed back, resulting in a prolonged lead time to closing of deals, but fully-furnished asset transfers were concluded smoothly.

As a result of the above, net sales in the M&A Services business were 134,925 thousand yen (up 20.2% year on year), and segment profit was 26,528 thousand yen (up 268.5% year on year).

Note: This is the number of operators registered as real estate agents, interior furnishing service providers, and food suppliers as of December 31, 2022.

## (2) Explanation of Financial Position

### (Assets)

Current assets at the end of the nine months ended December 31, 2022 increased by 582,721, thousand yen from the end of the previous fiscal year to 3,800,087 thousand yen. The increase was mainly attributable to a rise in cash and deposits (an increase of 555,542 thousand yen from the end of the previous fiscal year) as a result of an increase in sales. Non-current assets decreased by 50,886 thousand yen from the end of the previous fiscal year to 134,766 thousand yen. The decrease was mainly due to a decrease in leasehold and guarantee deposits (a decrease of 43,285 thousand yen from the end of the previous fiscal year). As a result of the above, total assets amounted to 3,934,853 thousand yen (an increase of 531,834 thousand yen from the end of the previous fiscal year).

### (Liabilities)

Current liabilities at the end of the nine months ended December 31, 2022 increased by 57,536 thousand yen from the end of the previous fiscal year to 575,120 thousand yen. The main increasing factor was an increase in contract liabilities (an increase of 37,230 thousand yen from the end of the previous fiscal year). Non-current liabilities increased by 83 thousand yen from the end of the previous fiscal year to 14,281 thousand yen. As a result of the above, total liabilities amounted to 589,401 thousand yen (an increase of 57,619 thousand yen from the end of the previous fiscal year).

### (Net assets)

Net assets at the end of the nine months ended December 31, 2022 increased by 474,215 thousand yen from the end of the previous fiscal year to 3,345,452 thousand yen. The increase was mainly attributable to an increase in retained earnings (an increase of 424,771 thousand yen from the end of the previous fiscal year) as a result of reporting profit attributable to owners of parent.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

As for the financial results forecast, there is no change from the financial results forecast announced on November 14, 2022 in the Consolidated Financial Results for the Six Months Ended September 30, 2022 at the moment.

2. Quarterly Consolidated Financial Statements and Principal Notes  
(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets		
Cash and deposits	3,087,912	3,643,454
Accounts receivable - trade	101,617	106,176
Inventories	550	–
Prepaid expenses	32,951	57,611
Other	4,160	3,717
Allowance for doubtful accounts	(9,826)	(10,872)
Total current assets	3,217,366	3,800,087
Non-current assets		
Property, plant and equipment		
Buildings, net	40,536	34,091
Tools, furniture and fixtures, net	2,765	5,988
Total property, plant and equipment	43,302	40,079
Intangible assets		
Software	1,439	437
Total intangible assets	1,439	437
Investments and other assets		
Investment securities	–	3,981
Investments in capital	300	300
Leasehold and guarantee deposits	114,611	71,326
Deferred tax assets	22,275	15,786
Other	3,723	2,855
Total investments and other assets	140,910	94,249
Total non-current assets	185,652	134,766
Total assets	3,403,018	3,934,853

(Thousand yen)

	As of March 31, 2022	As of December 31, 2022
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	12,734	17,341
Accounts payable - other	41,335	64,641
Accrued expenses	25,625	35,366
Contract liabilities	194,467	231,697
Income taxes payable	140,948	152,004
Accrued consumption taxes	82,634	67,403
Asset retirement obligations	8,865	–
Other	10,972	6,664
<b>Total current liabilities</b>	<b>517,583</b>	<b>575,120</b>
Non-current liabilities		
Asset retirement obligations	14,198	14,281
<b>Total non-current liabilities</b>	<b>14,198</b>	<b>14,281</b>
<b>Total liabilities</b>	<b>531,781</b>	<b>589,401</b>
Net assets		
Shareholders' equity		
Share capital	510,517	510,517
Capital surplus	498,517	498,517
Retained earnings	2,020,688	2,445,459
Treasury shares	(159,349)	(109,900)
<b>Total shareholders' equity</b>	<b>2,870,374</b>	<b>3,344,594</b>
Share acquisition rights	863	858
<b>Total net assets</b>	<b>2,871,237</b>	<b>3,345,452</b>
<b>Total liabilities and net assets</b>	<b>3,403,018</b>	<b>3,934,853</b>



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Net sales	1,366,095	2,105,508
Cost of sales	194,781	258,233
Gross profit	1,171,314	1,847,275
Selling, general and administrative expenses	896,138	1,198,823
Operating profit	275,176	648,452
Non-operating income		
Interest income	34	16
Dividend income	6	6
Interest on tax refund	725	–
Subsidy income	800	1,698
Facility rental income	300	200
Total non-operating income	1,865	1,920
Non-operating expenses		
Foreign exchange losses	–	266
Total non-operating expenses	–	266
Ordinary profit	277,041	650,106
Extraordinary income		
Gain on reversal of share acquisition rights	1	5
Total extraordinary income	1	5
Profit before income taxes	277,042	650,111
Income taxes - current	98,526	205,506
Income taxes - deferred	(207)	6,358
Total income taxes	98,318	211,864
Profit	178,724	438,246
Profit attributable to owners of parent	178,724	438,246

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2021	For the nine months ended December 31, 2022
Profit	178,724	438,246
Comprehensive income	178,724	438,246
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	178,724	438,246
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements  
(Notes on going concern assumption)

Not applicable.

(Notes when there are significant changes in amounts of equity)

Not applicable.

(Changes in scope of consolidation or equity method)

During the three months ended June 30, 2022, the Company excluded Nicoshigoto Co., Ltd. from the scope of consolidation due to the completion of liquidation.

(Additional information)

*Accounting estimates related to the impact of the COVID-19 pandemic*

There is no significant change from the information included in (Significant accounting estimates) on the Securities Report of the previous fiscal year.

(Segment information, etc.)

[Segment information]

**I For the nine months ended December 31, 2021**

1. Information on net sales and profit or loss by reportable segment and disaggregation of revenue

(Thousand yen)

	Reportable segment				Adjustment (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Media platform	M&A services	Other	Total		
Net sales						
Advertising and related services (Note 4)	1,044,354	-	-	1,044,354	-	1,044,354
Marketing services (Note 5)	58,244	-	-	58,244	-	58,244
Pay-for-performance services (Note 6)	12,957	112,266	2,418	127,641	-	127,641
Other (Note 7)	135,739	-	117	135,857	-	135,857
Revenue from contracts with customers	1,251,296	112,266	2,535	1,366,098	-	1,366,098
Net sales to external customers	1,251,294	112,266	2,535	1,366,095	-	1,366,095
Inter-segment sales or transfers	2	-	-	2	(2)	-
Total	1,251,296	112,266	2,535	1,366,098	(2)	1,366,095
Segment profit or loss	268,736	7,198	(2,064)	273,871	1,305	275,176
Other items						
Depreciation (Note 3)	4,453	319	51	4,824	-	4,824

- Notes:
1. Adjustment for segment profit or loss refers to the elimination of inter-segment transactions.
  2. The total amount of segment profit or loss is adjusted with operating profit in the quarterly consolidated statements of income.
  3. Assets are not specifically allocated to reportable segments, but depreciation is allocated.
  4. Advertising and related services primarily generate revenue from posting of recruitment ads and store property information, and services that enhance the effects of ads posted.
  5. Marketing services primarily generate revenue from Internet surveys on restaurants, and the distribution of e-mail newsletters to members of Inshokuten.com.
  6. Pay-for-performance services mainly comprise revenue from matching services in Inshokuten.com, revenue from opening fees in the food truck sharing and matching business and M&A Services business in subsidiaries.
  7. Other mainly comprises revenue from e-mail newsletter delivery services to job seekers, and monthly subscription services.

## II For the nine months ended December 31, 2022

### 1. Information on net sales and profit by reportable segment and disaggregation of revenue

(Thousand yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Media platform	M&A services	Total		
Net sales					
Advertising and related services (Note 4)	1,610,620	-	1,610,620	-	1,610,620
Marketing services (Note 5)	46,469	-	46,469	-	46,469
Pay-for-performance services (Note 6)	61,527	134,925	196,453	-	196,453
Other (Note 7)	251,966	-	251,966	-	251,966
Revenue from contracts with customers	1,970,582	134,925	2,105,508	-	2,105,508
Net sales to external customers	1,970,582	134,925	2,105,508	-	2,105,508
Inter-segment sales or transfers	-	-	-	-	-
Total	1,970,582	134,925	2,105,508	-	2,105,508
Segment profit	621,293	26,528	647,822	630	648,452
Other items					
Depreciation (Note 3)	20,650	331	20,981	-	20,981

- Notes:
1. Adjustment for segment profit refers to the elimination of inter-segment transactions.
  2. The total amount of segment profit is adjusted with operating profit in the quarterly consolidated statements of income.
  3. Assets are not specifically allocated to reportable segments, but depreciation is allocated.
  4. Advertising and related services primarily generate revenue from posting of recruitment ads and store property information, and services that enhance the effects of ads posted.
  5. Marketing services primarily generate revenue from Internet surveys on restaurants, and the distribution of e-mail newsletters to members of Inshokuten.com.
  6. Pay-for-performance services mainly comprise revenue from matching services in Inshokuten.com, revenue from opening fees in the food truck sharing and matching business and M&A Services business in subsidiaries.
  7. Other mainly comprises revenue from e-mail newsletter delivery services to job seekers, and monthly subscription services.

### 2. Matters related to changes in reportable segments

The Group previously had three reportable segments of Media Platform business, M&A Services business, and Other businesses. However, Synchron Career Co., Ltd., which was the main part of the Other businesses, was dissolved as of July 1, 2021 through an absorption-type merger with the Company as the surviving company. Accordingly, the Company has changed the reportable segments to the following two: Media Platform business and M&A Services business.

#### (Revenue recognition)

Disaggregation of revenue from contracts with customers is as presented in “Notes (Segment information, etc.)”