

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended January 31, 2023 (Based on Japanese GAAP)

March 7, 2023

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 Toshihiro Kawanaka TEL 075-394-8600  
 Scheduled date to file Quarterly Securities Report: March 17, 2023  
 Scheduled date to commence dividend payments: April 4, 2023  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended January 31, 2023 (from August 1, 2022 to January 31, 2023)

(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	%
Six months ended January 31, 2023	35,143	21.9	(883)	–	(912)	–	(914)	–
Six months ended January 31, 2022	28,821	41.3	2,032	–	2,105	–	1,561	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended January 31, 2023	(31.62)		–	
Six months ended January 31, 2022	53.86		53.85	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of January 31, 2023	33,875	5,752	17.0
As of July 31, 2022	31,159	7,074	22.7

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, 2022	–	10.00	–	10.00	20.00
Year ending July 31, 2023	–	10.00			
Year ending July 31, 2023 (Forecast)			–	10.00	20.00

3. Forecast of consolidated financial results for the year ending July 31, 2023 (from August 1, 2022 to July 31, 2023)

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	71,000	18.0	1,191	10.3	1,268	0.3	886	–	30.47

4. Notes

- (1) Changes in significant subsidiaries during the six months ended January 31, 2023  
 (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 January 31, 2023	29,074,500 shares	As of July 31, 2022	29,073,800 shares
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Number of treasury shares at the end of the period

As of January 31, 2023	233,970 shares	As of July 31, 2022	52,483 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended January 31, 2023	28,908,838 shares	Six months ended January 31, 2022	28,996,582 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of July 31, 2022	As of January 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	8,845	12,976
Notes and accounts receivable - trade	6,702	5,758
Electronically recorded monetary claims - operating	732	500
Merchandise and finished goods	4,704	4,561
Work in process	478	602
Raw materials and supplies	884	770
Other	1,175	967
Allowance for doubtful accounts	(9)	(0)
Total current assets	23,513	26,136
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,549	2,473
Machinery, equipment and vehicles, net	457	418
Tools, furniture and fixtures, net	176	170
Land	1,193	1,193
Leased assets, net	31	26
Construction in progress	50	90
Total property, plant and equipment	4,458	4,371
Intangible assets		
Goodwill	270	233
Other	34	31
Total intangible assets	305	264
Investments and other assets		
Investment securities	1,572	1,667
Other	1,309	1,435
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	2,881	3,102
Total non-current assets	7,645	7,739
Total assets	31,159	33,875

(Millions of yen)

	As of July 31, 2022	As of January 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,176	1,167
Short-term borrowings	15,400	17,400
Current portion of long-term borrowings	760	811
Accounts payable - other	4,077	4,889
Income taxes payable	434	228
Provision for bonuses	70	73
Other	876	712
Total current liabilities	22,795	25,283
Non-current liabilities		
Long-term borrowings	697	2,227
Retirement benefit liability	427	475
Other	164	136
Total non-current liabilities	1,288	2,839
Total liabilities	24,084	28,122
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,042	2,042
Capital surplus	1,820	1,821
Retained earnings	3,300	2,085
Treasury shares	(138)	(343)
Total shareholders' equity	7,024	5,605
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	46	145
Total accumulated other comprehensive income	46	145
Share acquisition rights	0	0
Non-controlling interests	2	1
Total net assets	7,074	5,752
Total liabilities and net assets	31,159	33,875

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

### Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended January 31, 2022	Six months ended January 31, 2023
Net sales	28,821	35,143
Cost of sales	5,786	6,756
Gross profit	23,035	28,386
Selling, general and administrative expenses		
Research and development expenses	310	413
Advertising expenses	15,614	22,835
Commission expenses	1,613	2,011
Amortization of goodwill	21	36
Other	3,442	3,974
Total selling, general and administrative expenses	21,002	29,270
Operating profit (loss)	2,032	(883)
Non-operating income		
Interest income	1	0
Dividend income	11	12
Foreign exchange gains	12	1
Subsidy income	40	23
Share of profit of entities accounted for using equity method	6	–
Outsourcing service income	8	8
Other	14	21
Total non-operating income	94	68
Non-operating expenses		
Interest expenses	13	23
Loss on investments in investment partnerships	–	10
Share of loss of entities accounted for using equity method	–	38
Commission expenses	8	7
Product collection cost	–	14
Other	0	2
Total non-operating expenses	21	96
Ordinary profit (loss)	2,105	(912)
Extraordinary income		
Gain on bargain purchase	82	–
Total extraordinary income	82	–
Profit (loss) before income taxes	2,186	(912)
Income taxes	625	3
Profit (loss)	1,561	(915)
Loss attributable to non-controlling interests	–	(1)
Profit (loss) attributable to owners of parent	1,561	(914)

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

(Millions of yen)

	Six months ended January 31, 2022	Six months ended January 31, 2023
Profit (loss)	1,561	(915)
Other comprehensive income		
Valuation difference on available-for-sale securities	(59)	98
Total other comprehensive income	(59)	98
Comprehensive income	1,502	(816)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,502	(815)
Comprehensive income attributable to non-controlling interests	–	(1)