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## Consolidated Financial Results for the Three Months Ended June 30, 2023 [Japanese GAAP]



August 9, 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  
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 Phone: +81-3-5768-9522  
 Scheduled date of filing quarterly securities report: August 9, 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 Three Months Ended June 30, 2023 (April 1, 2023 - June 30, 2023)

(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	%
Three months ended June 30, 2023	845	30.3	184	6.2	183	4.5	116	(1.4)
June 30, 2022	648	75.2	173	604.5	175	608.0	118	–

Note: Comprehensive income: Three months ended June 30, 2023: 117 million yen [(0.6)%]  
 Three months ended June 30, 2022: 118 million yen [–%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	4.37		4.36	
June 30, 2022	4.44		–	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
As of June 30, 2023	4,288		3,652		85.1	
As of March 31, 2023	4,274		3,534		82.7	

Reference: Equity: As of June 30, 2023: 3,651 million yen  
 As of March 31, 2023: 3,533 million yen

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended March 31, 2023	Yen –	Yen 0.00	Yen –	Yen 0.00	Yen 0.00
Fiscal year ending March 31, 2024	–				
Fiscal year ending March 31, 2024 (Forecast)		0.00	–	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, 2024 (April 1, 2023 - March 31, 2024)

(% 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
	3,500	19.4	1,000	14.1	1,000	13.9	700	11.4	26.22

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):
 

June 30, 2023:	26,893,800 shares
March 31, 2023:	26,893,800 shares
  - 2) Total number of treasury shares at the end of the period:
 

June 30, 2023:	201,807 shares
March 31, 2023:	201,807 shares
  - 3) Average number of shares during the period:
 

Three months ended June 30, 2023:	26,691,993 shares
Three months ended June 30, 2022:	26,601,193 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 three months ended June 30, 2023, the Japanese economy began to normalize, as COVID-19 was moved to Class 5 under the Infectious Disease Control Law, and the flow of people became more active. However, the outlook remains unpredictable as careful attention must be paid to the impact of fluctuations in financial and capital markets, among others, in addition to soaring resource prices and rises in commodity prices.

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, “Surely implement new Medium-Term Management Plan” and “Promote efforts toward dynamic growth.”

As a result of the above, the Group’s financial results for the three months ended June 30, 2023 were net sales of 845,652 thousand yen (up 30.3% year on year), operating profit of 184,741 thousand yen (up 6.2% year on year), ordinary profit of 183,647 thousand yen (up 4.5% year on year), and profit attributable to owners of parent of 116,672 thousand yen (down 1.4% year on year).

Net sales by service category comprises 697,807 thousand yen in Service in Stage 3 (operating) (up 33.9% year on year), 97,495 thousand yen (up 16.2% year on year) in Service in Stages 1, 2, 4 (preparation, opening and closing business), and 50,350 thousand yen (up 15.4% year on year) in Other.

Status by segment is as follows.

#### [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 June 30, 2023, the number of registered Inshokuten.com members was 271,404 (up 11.5% year on year), showing steady growth, helped by a steady trend in store opening, refurbishment, changes in business format, and other activities. In the recruitment advertising services, active recruitment continued in the restaurant industry, and net sales increased mainly due to continuous improvement of websites, and activities to drive the development of new clients in both direct sales and agency channels 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 4,866 companies (up 3.4% year on year) (Note).

As a result of the above, net sales in the Media Platform business were 811,611 thousand yen (up 31.2% year on year), and segment profit was 199,354 thousand yen (up 11.3% 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.

The number of M&A deals and fully-furnished asset transfers remained at a high level. However, in M&A services, the timing of transfers was pushed back, and sales progress stagnated.

As a result of the above, net sales in the M&A Services business were 34,040 thousand yen (up 13.4% year on year), and segment loss was 14,932 thousand yen (segment loss of 5,487 thousand yen in the same period of the previous year).

Note: This is the number of operators registered as real estate agents, interior furnishing service providers, and

food suppliers in Inshokuten.com as of June 30, 2023.

## (2) Explanation of Financial Position

### (Assets)

Current assets at the end of the three months ended June 30, 2023 decreased by 293,900 thousand yen from the end of the previous fiscal year to 3,822,174 thousand yen. The decrease was mainly attributable to a decrease in cash and deposits (a decrease of 265,847 thousand yen from the end of the previous fiscal year) due to the payment for the transfer of the business of Naisokenchiku.com and income taxes payable. Non-current assets increased by 307,607 thousand yen from the end of the previous fiscal year to 466,420 thousand yen. The increase was mainly due to the reporting of goodwill (an increase of 229,451 thousand yen from the end of the previous fiscal year). As a result of the above, total assets amounted to 4,288,594 thousand yen (an increase of 13,706 thousand yen from the end of the previous fiscal year).

### (Liabilities)

Current liabilities at the end of the three months ended June 30, 2023 decreased by 103,953 thousand yen from the end of the previous fiscal year to 613,568 thousand yen. The main decreasing factor was a decrease in income taxes payable (a decrease of 139,144 thousand yen from the end of the previous fiscal year). Non-current liabilities increased by 53 thousand yen from the end of the previous fiscal year to 22,598 thousand yen. As a result of the above, total liabilities amounted to 636,167 thousand yen (a decrease of 103,900 thousand yen from the end of the previous fiscal year).

### (Net assets)

Net assets at the end of the three months ended June 30, 2023 increased by 117,606 thousand yen from the end of the previous fiscal year to 3,652,427 thousand yen. The increase was mainly attributable to an increase in retained earnings (an increase of 116,672 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 May 12, 2023 in FY2022 Financial Results Briefing Materials at the moment.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2023	As of June 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	3,933,568	3,667,721
Accounts receivable - trade	146,895	126,083
Prepaid expenses	38,576	29,280
Other	4,232	5,729
Allowance for doubtful accounts	(7,197)	(6,640)
Total current assets	4,116,074	3,822,174
Non-current assets		
Property, plant and equipment		
Buildings, net	41,244	40,183
Tools, furniture and fixtures, net	5,484	5,132
Total property, plant and equipment	46,729	45,316
Intangible assets		
Goodwill	–	229,451
Software	103	–
Total intangible assets	103	229,451
Investments and other assets		
Investment securities	13,353	14,499
Investments in capital	300	300
Leasehold and guarantee deposits	71,326	71,326
Deferred tax assets	17,280	103,982
Other	9,720	1,545
Total investments and other assets	111,980	191,653
Total non-current assets	158,813	466,420
Total assets	4,274,888	4,288,594

(Thousand yen)

	As of March 31, 2023	As of June 30, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	43,969	30,517
Accounts payable - other	89,104	160,562
Accrued expenses	38,327	31,662
Income taxes payable	192,638	53,494
Accrued consumption taxes	86,934	17,851
Contract liabilities	252,370	304,493
Deposits received	14,151	14,963
Other	24	24
Total current liabilities	717,522	613,568
Non-current liabilities		
Asset retirement obligations	22,544	22,598
Total non-current liabilities	22,544	22,598
<b>Total liabilities</b>	<b>740,067</b>	<b>636,167</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	510,517	510,517
Capital surplus	498,517	498,517
Retained earnings	2,634,828	2,751,501
Treasury shares	(109,900)	(109,900)
Total shareholders' equity	3,533,962	3,650,635
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	–	934
Total accumulated other comprehensive income	–	934
Share acquisition rights	858	858
<b>Total net assets</b>	<b>3,534,820</b>	<b>3,652,427</b>
<b>Total liabilities and net assets</b>	<b>4,274,888</b>	<b>4,288,594</b>



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Net sales	648,850	845,652
Cost of sales	74,998	151,454
Gross profit	573,852	694,197
Selling, general and administrative expenses	399,940	509,456
Operating profit	173,911	184,741
Non-operating income		
Interest income	1	1
Dividend income	6	6
Subsidy income	1,631	–
Facility rental income	150	–
Total non-operating income	1,788	7
Non-operating expenses		
Settlement payments	–	900
Other	–	201
Total non-operating expenses	–	1,101
Ordinary profit	175,700	183,647
Extraordinary income		
Gain on reversal of share acquisition rights	3	–
Total extraordinary income	3	–
Profit before income taxes	175,703	183,647
Income taxes - current	56,909	47,723
Income taxes - deferred	467	19,251
Total income taxes	57,377	66,975
Profit	118,325	116,672
Profit attributable to owners of parent	118,325	116,672

Quarterly Consolidated Statements of Comprehensive Income

Three Months Ended June 30

(Thousand yen)

	For the three months ended June 30, 2022	For the three months ended June 30, 2023
Profit	118,325	116,672
Other comprehensive income		
Valuation difference on available-for-sale securities	—	934
Total other comprehensive income	—	934
Comprehensive income	118,325	117,606
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	118,325	117,606
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.

(Segment information, etc.)

[Segment information]

**I For the three months ended June 30, 2022**

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	Total		
Net sales					
Advertising and related services (Note 4)	508,825	—	508,825	—	508,825
Marketing services (Note 5)	19,324	—	19,324	—	19,324
Pay-for-performance services (Note 6)	17,076	30,012	47,088	—	47,088
Other (Note 7)	73,612	—	73,612	—	73,612
Revenue from contracts with customers	618,838	30,012	648,850	—	648,850
Net sales to external customers	618,838	30,012	648,850	—	648,850
Inter-segment sales or transfers	—	—	—	—	—
Total	618,838	30,012	648,850	—	648,850
Segment profit or loss	179,188	(5,487)	173,701	210	173,911
Other items					
Depreciation (Note 3)	17,227	292	17,520	—	17,520

- 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 three months ended June 30, 2023

### 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)	617,606	–	617,606	–	617,606
Marketing services (Note 5)	18,195	–	18,195	–	18,195
Pay-for-performance services (Note 6)	55,108	31,776	86,885	–	86,885
Other (Note 7)	120,700	2,264	122,965	–	122,965
Revenue from contracts with customers	811,611	34,040	845,652	–	845,652
Net sales to external customers	811,611	34,040	845,652	–	845,652
Inter-segment sales or transfers	–	–	–	–	–
Total	811,611	34,040	845,652	–	845,652
Segment profit or loss	199,354	(14,932)	184,421	320	184,741
Other items					
Depreciation (Note 3)	1,500	15	1,516	–	1,516
Amortization of goodwill (Note 3)	9,583	153	9,736	–	9,736

- 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 and amortization of goodwill are 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. Information on impairment loss on non-current assets and goodwill by reportable segment (Significant change in amount of goodwill)

During the three months ended June 30, 2023, goodwill increased by 230,002 thousand yen in the “Media Platform business” segment due to the acquisition of business from SHELFY Co., Ltd.

This amount of goodwill is tentatively calculated since the allocation of the acquisition cost has not been completed as of the end of the three months ended June 30, 2023.

(Business combinations, etc.)

#### 1. Summary of business combination (business acquisition)

##### (1) Name of the counterparty and description of the acquired business

Name of the counterparty SHELFY Co., Ltd.  
Business contents Interior furnishing service matching business

##### (2) Main reason for business combination

In the interior furnishing service matching domain, the Company has operated “TENPODESIGN.COM” since March 2005, but the clients are mainly sole proprietors and small corporations, while “Naisokenchiku.com” mainly serves large corporate clients. In terms of the scale of deals, while most deals on “TENPODESIGN.COM” are for less than 10 million yen, about half of the deals on “Naisokenchiku.com” are for 10 million yen or more. The two platforms have very little overlap in their customer bases, and their deals are in completely different segments. Therefore, the Company expects that by operating both platforms, it will be able to expand sales through mutual customer transfers and greatly increase the efficiency of acquiring

projects for the platform as a whole.

- (3) Date of business combination  
April 20, 2023
- (4) Legal form of business combination  
Acquisition of business for cash consideration
- (5) Name after business combination  
No change in name
- (6) Main basis for determining the acquiring company  
The Company acquired the business from SHELFY Co., Ltd. for cash consideration.
2. Period of financial results of acquired business included in the quarterly consolidated statements of income  
April 20 to June 30, 2023
3. Acquisition cost of acquired business and breakdown by type of consideration
- |                               |                      |
|-------------------------------|----------------------|
| Acquisition cost              | 328,000 thousand yen |
| Consideration for acquisition | Cash and deposits    |
4. Description and amount of acquisition-related expenses
- |                          |                    |
|--------------------------|--------------------|
| Advisory fees and others | 3,700 thousand yen |
|--------------------------|--------------------|
5. Amount of goodwill incurred, reason for incurrence, and amortization method and period
- (1) Amount of goodwill incurred  
230,002 thousand yen  
Since the allocation of acquisition costs has not been completed, provisional accounting is applied based on reasonable information available at that time.
- (2) Cause of incurrence  
The future excess earning power expected from future business development.
- (3) Amortization method and period  
Amortized in equal amounts over six years
6. Amounts of assets and liabilities accepted on the date of business combination and their major components
- |                          |                             |
|--------------------------|-----------------------------|
| Current assets           | 5,904 thousand yen          |
| Non-current assets       | 101,508 thousand yen        |
| <u>Total assets</u>      | <u>107,413 thousand yen</u> |
| Current liabilities      | 9,416 thousand yen          |
| <u>Total liabilities</u> | <u>9,416 thousand yen</u>   |

(Revenue recognition)

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