

Note: This document is a translation of a part of the original Japanese version and provided for reference purposes only. In the event of any discrepancy between the Japanese original and this English translation, the Japanese original shall prevail.

## Consolidated Financial Results for the Six Months Ended August 31, 2023 [Japanese GAAP]

October 12, 2023

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: October 13, 2023

Scheduled date of commencing dividend payments: October 31, 2023

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 Six Months Ended August 31, 2023 (March 1, 2023 to August 31, 2023)

#### (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	%
Six months ended August 31, 2023	208,986	7.8	8,333	(3.0)	9,426	(2.9)	7,166	25.2
August 31, 2022	193,827	13.8	8,587	6.5	9,704	15.0	5,726	2.4

(Note) Comprehensive income: Six months ended August 31, 2023: ¥ 11,952 million [ 34.2%]  
Six months ended August 31, 2022: ¥ 8,908 million [ 30.0%]

	Basic earnings per share	Diluted earnings per share
Six months ended August 31, 2023	Yen 226.61	Yen -
August 31, 2022	181.10	-

#### (2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of August 31, 2023	Millions of yen 221,919	Millions of yen 126,619	% 53.7
February 28, 2023	204,778	117,306	53.8

(Reference) Equity: As of August 31, 2023: ¥ 119,162 million  
As of February 28, 2023: ¥ 110,092 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 28, 2023	-	39.00	-	39.00	78.00
Fiscal year ending February 29, 2024	-	42.00			
Fiscal year ending February 29, 2024 (Forecast)			-	42.00	84.00

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

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending February 29, 2024(March 1, 2023 to February 29, 2024)

(% 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	420,000	5.2	13,500	(7.4)	14,000	(11.6)	10,000	(5.4)	316.09

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

### \* Notes:

#### (1) Changes in significant subsidiaries during the six months ended August 31, 2023

(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):

August 31, 2023: 32,267,721 shares

February 28, 2023: 32,267,721 shares

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

August 31, 2023: 631,489 shares

February 28, 2023: 646,640 shares

##### 3) Average number of shares outstanding during the period:

Six months ended August 31, 2023: 31,626,854 shares

Six months ended August 31, 2022: 31,617,296 shares

Quarterly Consolidated Financial Statements  
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2023	As of August 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	46,862	39,200
Notes and accounts receivable - trade	35,212	44,361
Merchandise and finished goods	28,304	32,641
Work in process	2,049	8,697
Raw materials and supplies	5,644	6,253
Other	9,778	5,726
Allowance for doubtful accounts	(48)	(62)
Total current assets	127,803	136,817
Non-current assets		
Property, plant and equipment		
Buildings and structures	60,419	60,752
Accumulated depreciation	(29,822)	(30,138)
Buildings and structures, net	30,597	30,614
Land	14,989	14,937
Other	44,843	49,347
Accumulated depreciation	(27,550)	(28,789)
Other, net	17,293	20,558
Accumulated impairment	(3,796)	(2,672)
Total property, plant and equipment	59,084	63,437
Intangible assets		
Goodwill	197	166
Other	389	347
Total intangible assets	586	514
Investments and other assets		
Investment securities	13,920	16,036
Retirement benefit asset	180	192
Other	3,391	5,107
Allowance for doubtful accounts	(188)	(186)
Total investments and other assets	17,304	21,150
Total non-current assets	76,974	85,101
<b>Total assets</b>	<b>204,778</b>	<b>221,919</b>

(Millions of yen)

	As of February 28, 2023	As of August 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	26,964	28,148
Short-term borrowings	12,275	11,580
Income taxes payable	2,792	2,940
Provision for bonuses	1,083	1,310
Other	12,457	14,994
Total current liabilities	55,572	58,973
Non-current liabilities		
Bonds payable	350	300
Long-term borrowings	26,971	30,156
Provision for retirement benefits for directors (and other officers)	140	118
Retirement benefit liability	2,035	2,022
Other	2,401	3,729
Total non-current liabilities	31,899	36,326
Total liabilities	87,472	95,300
<b>Net assets</b>		
Shareholders' equity		
Share capital	4,298	4,298
Capital surplus	18,754	18,792
Retained earnings	80,861	85,416
Treasury shares	(407)	(397)
Total shareholders' equity	103,507	108,110
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,332	4,939
Deferred gains or losses on hedges	(61)	80
Foreign currency translation adjustment	3,362	6,075
Remeasurements of defined benefit plans	(47)	(44)
Total accumulated other comprehensive income	6,585	11,051
Non-controlling interests	7,213	7,457
Total net assets	117,306	126,619
Total liabilities and net assets	204,778	221,919

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the six months)

(Millions of yen)

	For the six months ended August 31, 2022	For the six months ended August 31, 2023
Net sales	193,827	208,986
Cost of sales	166,484	181,036
Gross profit	27,342	27,949
Selling, general and administrative expenses	18,754	19,616
Operating profit	8,587	8,333
Non-operating income		
Interest income	83	199
Dividend income	329	345
Rental income from buildings	109	75
Share of profit of entities accounted for using equity method	5	1
Foreign exchange gains	414	428
Other	381	423
Total non-operating income	1,324	1,473
Non-operating expenses		
Interest expenses	138	151
Arrangement fee	-	100
Rent cost	24	20
Other	44	108
Total non-operating expenses	207	380
Ordinary profit	9,704	9,426
Extraordinary income		
Gain on sale of non-current assets	14	52
Gain on sale of shares of subsidiaries and associates	-	1,388
Gain on sale of investment securities	-	4
Subsidy income	210	1,584
Total extraordinary income	224	3,028
Extraordinary losses		
Loss on disposal of non-current assets	78	24
Impairment losses	68	21
Loss on store closings	0	1
Loss temporary store closings	39	-
Loss on tax purpose reduction entry of non-current assets	50	1,583
Loss on sale of investment securities	-	4
Loss on valuation of investment securities	-	374
Other	1	-
Total extraordinary losses	239	2,010
Profit before income taxes	9,689	10,444
Income taxes	3,764	2,979
Profit	5,925	7,465
Profit attributable to non-controlling interests	199	298
Profit attributable to owners of parent	5,726	7,166

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

(Millions of yen)

	For the six months ended August 31, 2022	For the six months ended August 31, 2023
Profit	5,925	7,465
Other comprehensive income		
Valuation difference on available-for-sale securities	(70)	1,628
Deferred gains or losses on hedges	74	142
Foreign currency translation adjustment	2,977	2,713
Remeasurements of defined benefit plans, net of tax	(7)	3
Share of other comprehensive income of entities accounted for using equity method	10	-
Total other comprehensive income	2,983	4,487
Comprehensive income	8,908	11,952
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,707	11,633
Comprehensive income attributable to non-controlling interests	200	319

## Quarterly Consolidated Statements of Cash Flows

(Millions of yen)

	For the six months ended August 31, 2022	For the six months ended August 31, 2023
<b>Cash flows from operating activities</b>		
Profit before income taxes	9,689	10,444
Depreciation	2,203	2,280
Impairment losses	68	21
Amortization of goodwill	30	30
Increase (decrease) in provision for bonuses	54	225
Decrease (increase) in retirement benefit asset	(14)	(14)
Increase (decrease) in retirement benefit liability	(1)	(10)
Interest and dividend income	(413)	(545)
Interest expenses	138	151
Loss (gain) on sale of non-current assets	(14)	(52)
Decrease (increase) in trade receivables	(7,604)	(8,600)
Decrease (increase) in inventories	(6,291)	(5,977)
Increase (decrease) in trade payables	6,785	1,118
Loss (gain) on sale of shares of subsidiaries and associates	-	(1,388)
Subsidy income	(210)	(1,584)
Loss on tax purpose reduction entry of non-current assets	-	1,583
Increase (decrease) in accrued consumption taxes	51	30
Other, net	162	(1,896)
Subtotal	4,633	(4,180)
Interest and dividends received	354	698
Interest paid	(138)	(150)
Income taxes paid	(1,430)	(2,948)
Subsidies received	204	0
Net cash provided by (used in) operating activities	3,624	(6,581)
<b>Cash flows from investing activities</b>		
Net decrease (increase) in time deposits	277	(0)
Purchase of property, plant and equipment	(5,712)	(7,013)
Proceeds from sale of property, plant and equipment	610	108
Purchase of intangible assets	(8)	(14)
Purchase of investment securities	(4)	(273)
Proceeds from sale of investment securities	5	132
Payments for sales of shares of subsidiaries and associates resulting in change in scope of consolidation	-	(3,120)
Loan advances	(1,946)	(421)
Proceeds from collection of loans receivable	9	417
Subsidies received	50	1,583
Other, net	9	(77)
Net cash provided by (used in) investing activities	(6,708)	(8,677)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	5,594	(258)
Proceeds from long-term borrowings	-	11,000
Repayments of long-term borrowings	(2,356)	(3,335)
Redemption of bonds	(50)	(50)
Dividends paid	(1,105)	(1,231)
Dividends paid to non-controlling interests	(75)	(75)
Other, net	(25)	(24)
Net cash provided by (used in) financing activities	1,981	6,024
Effect of exchange rate change on cash and cash equivalents	1,879	1,475
Net increase (decrease) in cash and cash equivalents	776	(7,759)
Cash and cash equivalents at beginning of period	41,321	46,601
Increase in cash and cash equivalents from newly consolidated	-	96
Cash and cash equivalents at end of period	42,098	38,939