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November 13, 2023

Consolidated Financial Results for the Six Months Ended September 30, 2023 (Under Japanese GAAP)

Company name: Foodison, Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 7114
 URL: <https://foodison.jp>
 Representative: Tohru Yamamoto, Representative Director and CEO
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 Scheduled date to file quarterly securities report: November 13, 2023
 Scheduled date to commence dividend payments: —
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results briefing: Yes (for institutional investors and analysts)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the six months ended September 30, 2023 (from April 1, 2023 to September 30, 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								
September 30, 2023	2,977	26.1	52	0.3	51	(12.5)	57	68.9
September 30, 2022	2,361	—	52	—	59	—	34	—

Note: Comprehensive income For the six months ended September 30, 2023: 57 million yen [68.9%]
 For the six months ended September 30, 2022: 34 million yen [—%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2023	13.08	12.41
September 30, 2022	9.31	—

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
September 30, 2023	3,152	2,022	64.2
March 31, 2023	3,017	1,943	64.4

Reference: Equity
 As of September 30, 2023: 2,022 million yen
 As of March 31, 2023: 1,943 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	0.00	—	0.00	0.00
Fiscal year ending March 31, 2024	—	0.00			
Fiscal year ending March 31, 2024 (Forecast)			—	0.00	0.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

(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	6,541	23.9	164	20.4	167	19.8	172	70.6	39.08

Note: Revisions to the forecast of consolidated financial results most recently announced: None

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (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 restatement
 - (i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - (ii) Changes in accounting policies due to other reasons: None
 - (iii) Changes in accounting estimates: None
 - (iv) Restatement: None
- (4) Number of issued shares (common shares)

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

As of September 30, 2023	4,439,440 shares
As of March 31, 2023	4,405,440 shares

- (ii) Number of treasury shares at the end of the period

As of September 30, 2023	59 shares
As of March 31, 2023	59 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2023	4,419,606 shares
Six months ended September 30, 2022	3,678,940 shares

* Quarterly financial results reports are exempt from quarterly review conducted by certified public accountants or an audit corporation.

* Proper use of earnings forecasts, and other special matters

The forecasts above are based on the judgments made in accordance with information currently available. Forecasts therefore include risks and uncertainties. Actual figures may differ from these forecasts due to subsequent changes in the circumstances.

Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	2,235,418	2,196,541
Accounts receivable - trade	490,641	488,531
Merchandise	96,778	105,091
Supplies	1,102	1,043
Accounts receivable - other	10,159	9,552
Other	23,897	26,943
Allowance for doubtful accounts	(305)	(304)
Total current assets	2,857,692	2,827,399
Non-current assets		
Property, plant and equipment	82,144	234,446
Intangible assets		
Other	1,938	1,599
Total intangible assets	1,938	1,599
Investments and other assets		
Deferred tax assets	14,506	-
Other	64,366	92,565
Allowance for doubtful accounts	(3,233)	(3,233)
Total investments and other assets	75,639	89,332
Total non-current assets	159,722	325,377
Total assets	3,017,414	3,152,777
Liabilities		
Current liabilities		
Accounts payable - trade	254,662	237,453
Current portion of long-term borrowings	38,520	287,890
Lease liabilities	3,595	3,665
Accounts payable - other	86,444	83,337
Accrued expenses	64,863	70,544
Income taxes payable	53,383	25,729
Contract liabilities	17,166	16,173
Provision for loss on store closings	-	2,195
Asset retirement obligations	-	2,822
Refund liabilities	4,399	5,541
Other	40,722	42,429
Total current liabilities	563,758	777,782
Non-current liabilities		
Long-term borrowings	467,920	202,200
Lease liabilities	13,671	11,821
Deferred tax liabilities	667	3,028
Asset retirement obligations	27,767	134,917
Other	-	208
Total non-current liabilities	510,026	352,176
Total liabilities	1,073,784	1,129,958
Net assets		
Shareholders' equity		
Share capital	826,762	837,447
Capital surplus	1,613,861	1,624,546
Retained earnings	(496,845)	(439,025)
Treasury shares	(149)	(149)
Total shareholders' equity	1,943,629	2,022,819
Total net assets	1,943,629	2,022,819
Total liabilities and net assets	3,017,414	3,152,777

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	2,361,079	2,977,049
Cost of sales	1,480,767	1,905,406
Gross profit	880,311	1,071,643
Selling, general and administrative expenses	827,928	1,019,113
Operating profit	52,382	52,529
Non-operating income		
Interest income	4	11
Subsidy income	8,575	-
Insurance claim income	-	424
Lecture's fee income	-	148
Other	448	234
Total non-operating income	9,028	818
Non-operating expenses		
Interest expenses	2,098	1,536
Other	167	82
Total non-operating expenses	2,266	1,618
Ordinary profit	59,145	51,730
Extraordinary income		
Gain on receipt of donated non-current assets	-	41,122
Total extraordinary income	-	41,122
Extraordinary losses		
Loss on retirement of non-current assets	-	93
Impairment losses	18,462	1,143
Provision for loss on store closings	-	2,195
Loss on retirement of treasury subscription rights to shares	6,346	-
Total extraordinary losses	24,808	3,433
Profit before income taxes	34,336	89,419
Income taxes - current	735	14,731
Income taxes - deferred	(637)	16,867
Total income taxes	97	31,599
Profit	34,238	57,819
Profit attributable to owners of parent	34,238	57,819

Consolidated statements of comprehensive income

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	34,238	57,819
Comprehensive income	34,238	57,819
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	34,238	57,819

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	34,336	89,419
Depreciation	9,546	10,326
Impairment losses	18,462	1,143
Loss on retirement of property, plant and equipment	-	93
Loss on retirement of treasury subscription rights to shares	6,346	-
Increase (decrease) in allowance for doubtful accounts	42	(1)
Increase (decrease) in refund liabilities	(304)	1,141
Increase (decrease) in provision for loss on store closings	-	2,195
Subsidy income	(8,575)	-
Gain on receipt of donated non-current assets	-	(41,122)
Interest income	(4)	(11)
Interest expenses	2,098	1,536
Decrease (increase) in trade receivables	(68,125)	2,109
Decrease (increase) in inventories	(18,896)	(8,254)
Decrease (increase) in accounts receivable - other	(107,371)	607
Increase (decrease) in trade payables	44,825	(17,209)
Other, net	25,359	10,214
Subtotal	(62,261)	52,190
Subsidies received	8,575	-
Interest received	4	9
Interest paid	(2,172)	(1,284)
Income taxes paid	(1,240)	(53,383)
Net cash provided by (used in) operating activities	(57,093)	(2,468)
Cash flows from investing activities		
Payments into time deposits	(20,000)	-
Purchase of property, plant and equipment	(30,420)	(10,829)
Payments of leasehold and guarantee deposits	(10,711)	(28,796)
Proceeds from refund of leasehold and guarantee deposits	2,311	-
Other, net	-	(21)
Net cash provided by (used in) investing activities	(58,820)	(39,647)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	105,218	-
Repayments of long-term borrowings	(10,940)	(16,350)
Proceeds from issuance of shares	-	21,370
Payments for purchase of treasury subscription right to share	(6,346)	-
Other, net	(1,511)	(1,780)
Net cash provided by (used in) financing activities	86,420	3,239
Net increase (decrease) in cash and cash equivalents	(29,493)	(38,876)
Cash and cash equivalents at beginning of period	810,867	2,195,418
Cash and cash equivalents at end of period	781,374	2,156,541