

Translation

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

December 11, 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 Corporate Planning Department Toshihiro Kawanaka TEL 075-394-8600  
 Scheduled date to file Quarterly Securities Report: December 15, 2023  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

### 1. Consolidated financial results for the three months ended October 31, 2023 (from August 1, 2023 to October 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	%
Three months ended October 31, 2023	16,142	(5.2)	601	–	605	–	286	–
Three months ended October 31, 2022	17,030	35.1	(2,194)	–	(2,180)	–	(1,820)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended October 31, 2023	9.94		–	
Three months ended October 31, 2022	(62.78)		–	

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of October 31, 2023	37,680	9,687	25.7
As of July 31, 2023	36,232	9,630	26.6

### 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, 2023	–	10.00	–	12.00	22.00
Year ending July 31, 2024	–				
Year ending July 31, 2024 (Forecast)		10.00	–	10.00	20.00

### 3. Forecast of consolidated financial results for the year ending July 31, 2024 (from August 1, 2023 to July 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	72,047	5.1	3,338	(7.5)	3,300	(6.8)	2,784	(9.6)	96.55

4. Notes

- (1) Changes in significant subsidiaries during the three months ended October 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: No
- 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 October 31, 2023	29,079,000 shares	As of July 31, 2023	29,079,000 shares
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Number of treasury shares at the end of the period

As of October 31, 2023	233,994 shares	As of July 31, 2023	233,994 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended October 31, 2023	28,845,006 shares	Three months ended October 31, 2022	29,000,728 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of July 31, 2023	As of October 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	16,306	17,429
Notes and accounts receivable - trade	4,058	3,851
Electronically recorded monetary claims - operating	526	558
Merchandise and finished goods	4,594	4,290
Work in process	676	601
Raw materials and supplies	783	829
Other	588	720
Allowance for doubtful accounts	(2)	(1)
Total current assets	27,530	28,279
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,449	2,436
Machinery, equipment and vehicles, net	541	510
Tools, furniture and fixtures, net	154	328
Land	1,190	1,190
Leased assets, net	21	18
Construction in progress	47	84
Total property, plant and equipment	4,404	4,568
Intangible assets		
Goodwill	197	179
Other	41	48
Total intangible assets	238	227
Investments and other assets		
Investment securities	2,514	2,831
Deferred tax assets	395	640
Other	1,149	1,134
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	4,058	4,605
Total non-current assets	8,701	9,401
Total assets	36,232	37,680

(Millions of yen)

	As of July 31, 2023	As of October 31, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	937	1,142
Short-term borrowings	17,400	17,400
Current portion of long-term borrowings	955	941
Accounts payable - other	3,728	4,752
Income taxes payable	264	524
Provision for bonuses	72	162
Other	1,016	713
Total current liabilities	24,374	25,638
Non-current liabilities		
Long-term borrowings	1,741	1,828
Retirement benefit liability	320	304
Other	165	222
Total non-current liabilities	2,227	2,355
Total liabilities	26,601	27,993
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,043	2,043
Capital surplus	1,814	1,814
Retained earnings	5,792	5,733
Treasury shares	(343)	(343)
Total shareholders' equity	9,306	9,246
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	324	440
Total accumulated other comprehensive income	324	440
Total net assets	9,630	9,687
Total liabilities and net assets	36,232	37,680

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

**Consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended October 31, 2022	Three months ended October 31, 2023
Net sales	17,030	16,142
Cost of sales	3,204	3,424
Gross profit	13,825	12,717
Selling, general and administrative expenses		
Research and development expenses	206	277
Advertising expenses	12,800	8,813
Commission expenses	1,019	1,122
Amortization of goodwill	17	23
Other	1,976	1,879
Total selling, general and administrative expenses	16,020	12,116
Operating profit (loss)	(2,194)	601
Non-operating income		
Interest income	6	0
Dividend income	2	2
Foreign exchange gains	10	4
Subsidy income	13	13
Outsourcing service income	4	4
Other	12	9
Total non-operating income	49	35
Non-operating expenses		
Interest expenses	18	14
Loss on investments in investment partnerships	–	2
Share of loss of entities accounted for using equity method	12	1
Commission expenses	3	12
Other	0	1
Total non-operating expenses	35	31
Ordinary profit (loss)	(2,180)	605
Profit (loss) before income taxes	(2,180)	605
Income taxes	(359)	318
Profit (loss)	(1,820)	286
Loss attributable to non-controlling interests	(0)	–
Profit (loss) attributable to owners of parent	(1,820)	286

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

(Millions of yen)

	Three months ended October 31, 2022	Three months ended October 31, 2023
Profit (loss)	(1,820)	286
Other comprehensive income		
Valuation difference on available-for-sale securities	55	115
Total other comprehensive income	55	115
Comprehensive income	(1,765)	402
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,765)	402
Comprehensive income attributable to non-controlling interests	(0)	—