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Consolidated Financial Results for the Nine Months Ended November 30, 2023 [Japanese GAAP]

January 12, 2024

Company name: S Foods Inc.

Stock exchange listing: Tokyo

Code number: 2292

URL: <https://www.sfoods.co.jp>

Representative: Shinnosuke Murakami

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President and Representative Director

Corporate Officer Supervising Administration Group

Scheduled date of filing quarterly securities report: January 15, 2024

Scheduled date of commencing dividend payments: -

Availability of supplementary briefing material on quarterly financial results: No

Schedule of quarterly financial results briefing session: No

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Nine Months Ended November 30, 2023 (March 1, 2023 to November 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	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended November 30, 2023	314,425	6.4	10,393	(2.2)	11,960	0.4	8,438	19.8
November 30, 2022	295,375	12.6	10,626	(20.6)	11,913	(14.0)	7,041	(23.6)

(Note) Comprehensive income: Nine months ended November 30, 2023: ¥ 13,713 million [17.4%]
Nine months ended November 30, 2022: ¥ 11,679 million [15.0%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended November 30, 2023	266.78	-
November 30, 2022	222.70	-

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of November 30, 2023	228,830	127,051	52.2
February 28, 2023	204,778	117,306	53.8

(Reference) Equity: As of November 30, 2023: ¥ 119,466 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)	316.10

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

* Notes:

(1) Changes in significant subsidiaries during the nine months ended November 30, 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):

November 30, 2023: 32,267,721 shares

February 28, 2023: 32,267,721 shares

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

November 30, 2023: 632,417 shares

February 28, 2023: 646,640 shares

3) Average number of shares outstanding during the period:

Nine months ended November 30, 2023: 31,629,808 shares

Nine months ended November 30, 2022: 31,618,566 shares

Quarterly Consolidated Financial Statements
Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Assets		
Current assets		
Cash and deposits	46,862	44,111
Notes and accounts receivable - trade	35,212	43,299
Merchandise and finished goods	28,304	35,075
Work in process	2,049	9,278
Raw materials and supplies	5,644	6,385
Other	9,778	4,503
Allowance for doubtful accounts	(48)	(67)
Total current assets	127,803	142,586
Non-current assets		
Property, plant and equipment		
Buildings and structures	60,419	60,992
Accumulated depreciation	(29,822)	(30,702)
Buildings and structures, net	30,597	30,289
Land	14,989	14,957
Other	44,843	51,968
Accumulated depreciation	(27,550)	(29,465)
Other, net	17,293	22,503
Accumulated impairment	(3,796)	(2,788)
Total property, plant and equipment	59,084	64,961
Intangible assets		
Goodwill	197	151
Other	389	326
Total intangible assets	586	477
Investments and other assets		
Investment securities	13,920	15,491
Retirement benefit asset	180	199
Other	3,391	5,299
Allowance for doubtful accounts	(188)	(185)
Total investments and other assets	17,304	20,804
Total non-current assets	76,974	86,243
Total assets	204,778	228,830

(Millions of yen)

	As of February 28, 2023	As of November 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	26,964	31,544
Short-term borrowings	12,275	15,205
Income taxes payable	2,792	2,028
Provision for bonuses	1,083	1,893
Other	12,457	15,598
Total current liabilities	55,572	66,270
Non-current liabilities		
Bonds payable	350	250
Long-term borrowings	26,971	29,513
Provision for retirement benefits for directors (and other officers)	140	123
Retirement benefit liability	2,035	2,027
Other	2,401	3,593
Total non-current liabilities	31,899	35,508
Total liabilities	87,472	101,779
Net assets		
Shareholders' equity		
Share capital	4,298	4,298
Capital surplus	18,754	18,792
Retained earnings	80,861	85,359
Treasury shares	(407)	(397)
Total shareholders' equity	103,507	108,053
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,332	4,643
Deferred gains or losses on hedges	(61)	(21)
Foreign currency translation adjustment	3,362	6,834
Remeasurements of defined benefit plans	(47)	(42)
Total accumulated other comprehensive income	6,585	11,413
Non-controlling interests	7,213	7,584
Total net assets	117,306	127,051
Total liabilities and net assets	204,778	228,830

Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income (For the nine months)

(Millions of yen)

	For the nine months ended November 30, 2022	For the nine months ended November 30, 2023
Net sales	295,375	314,425
Cost of sales	256,347	274,500
Gross profit	39,027	39,924
Selling, general and administrative expenses	28,401	29,531
Operating profit	10,626	10,393
Non-operating income		
Interest income	166	344
Dividend income	338	356
Rental income from buildings	160	102
Share of profit of entities accounted for using equity method	8	2
Foreign exchange gains	478	678
Other	461	544
Total non-operating income	1,614	2,028
Non-operating expenses		
Interest expenses	205	203
Arrangement fee	-	100
Rent cost	36	30
Other	86	127
Total non-operating expenses	327	461
Ordinary profit	11,913	11,960
Extraordinary income		
Gain on sale of non-current assets	29	53
Gain on sale of shares of subsidiaries and associates	-	1,354
Gain on sale of investment securities	-	123
Subsidy income	222	1,584
Total extraordinary income	251	3,116
Extraordinary losses		
Loss on disposal of non-current assets	96	39
Impairment losses	77	136
Loss on store closings	1	1
Loss on temporary store closings	39	-
Loss on tax purpose reduction entry of non-current assets	50	1,583
Loss on sale of investment securities	7	4
Loss on valuation of investment securities	-	406
Other	1	-
Total extraordinary losses	274	2,172
Profit before income taxes	11,890	12,904
Income taxes	4,568	3,994
Profit	7,321	8,909
Profit attributable to non-controlling interests	280	471
Profit attributable to owners of parent	7,041	8,438

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

(Millions of yen)

	For the nine months ended November 30, 2022	For the nine months ended November 30, 2023
Profit	7,321	8,909
Other comprehensive income		
Valuation difference on available-for-sale securities	(38)	1,286
Deferred gains or losses on hedges	34	40
Foreign currency translation adjustment	4,368	3,471
Remeasurements of defined benefit plans, net of tax	(11)	5
Share of other comprehensive income of entities accounted for using equity method	4	-
Total other comprehensive income	4,357	4,804
Comprehensive income	11,679	13,713
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	11,400	13,267
Comprehensive income attributable to non-controlling interests	278	446