

Translation

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Summary of Consolidated Financial Results for the Six Months Ended January 31, 2024 (Based on Japanese GAAP)

March 11, 2024

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: March 15, 2024
 Scheduled date to commence dividend payments: April 2, 2024
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended January 31, 2024 (from August 1, 2023 to January 31, 2024)

(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 January 31, 2024	31,652	(9.9)	1,535	–	1,542	–	768	–
Six months ended January 31, 2023	35,143	21.9	(883)	–	(912)	–	(914)	–

	Earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended January 31, 2024	26.68	–
Six months ended January 31, 2023	(31.62)	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of January 31, 2024	37,020	9,202	24.9
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	Yen	Yen	Yen	Yen
Year ended July 31, 2023	–	10.00	–	12.00	22.00
Year ending July 31, 2024	–	10.00	–	–	–
Year ending July 31, 2024 (Forecast)	–	–	–	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	64,100	(6.5)	2,700	(25.2)	2,900	(18.1)	1,800	(41.6)	64.12

4. Notes

- (1) Changes in significant subsidiaries during the six months ended January 31, 2024
(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 January 31, 2024	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 January 31, 2024	1,006,767 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)

Six months ended January 31, 2024	28,805,827 shares	Six months ended January 31, 2023	28,908,838 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of July 31, 2023	As of January 31, 2024
Assets		
Current assets		
Cash and deposits	16,306	17,001
Notes and accounts receivable - trade	4,058	3,609
Electronically recorded monetary claims - operating	526	372
Merchandise and finished goods	4,594	4,443
Work in process	676	677
Raw materials and supplies	783	752
Other	588	827
Allowance for doubtful accounts	(2)	(1)
Total current assets	27,530	27,683
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,449	2,421
Machinery, equipment and vehicles, net	541	511
Tools, furniture and fixtures, net	154	298
Land	1,190	1,190
Leased assets, net	21	16
Construction in progress	47	116
Total property, plant and equipment	4,404	4,555
Intangible assets		
Goodwill	197	160
Other	41	54
Total intangible assets	238	215
Investments and other assets		
Investment securities	2,514	2,726
Deferred tax assets	395	632
Other	1,149	1,206
Allowance for doubtful accounts	(0)	(0)
Total investments and other assets	4,058	4,566
Total non-current assets	8,701	9,336
Total assets	36,232	37,020

(Millions of yen)

	As of July 31, 2023	As of January 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	937	1,022
Short-term borrowings	17,400	17,400
Current portion of long-term borrowings	955	961
Accounts payable - other	3,728	4,520
Income taxes payable	264	1,086
Provision for bonuses	72	80
Other	1,016	743
Total current liabilities	24,374	25,814
Non-current liabilities		
Long-term borrowings	1,741	1,545
Retirement benefit liability	320	310
Other	165	147
Total non-current liabilities	2,227	2,002
Total liabilities	26,601	27,817
Net assets		
Shareholders' equity		
Share capital	2,043	2,043
Capital surplus	1,814	1,814
Retained earnings	5,792	6,200
Treasury shares	(343)	(1,194)
Total shareholders' equity	9,306	8,863
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	324	339
Total accumulated other comprehensive income	324	339
Total net assets	9,630	9,202
Total liabilities and net assets	36,232	37,020

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended January 31, 2023	Six months ended January 31, 2024
Net sales	35,143	31,652
Cost of sales	6,756	6,551
Gross profit	28,386	25,101
Selling, general and administrative expenses		
Research and development expenses	413	482
Advertising expenses	22,835	16,990
Commission expenses	2,011	2,157
Amortization of goodwill	36	63
Other	3,974	3,872
Total selling, general and administrative expenses	29,270	23,565
Operating profit (loss)	(883)	1,535
Non-operating income		
Interest income	0	0
Dividend income	12	13
Foreign exchange gains	1	4
Subsidy income	23	22
Outsourcing service income	8	8
Other	21	17
Total non-operating income	68	67
Non-operating expenses		
Interest expenses	23	27
Loss on investments in investment partnerships	10	2
Share of loss of entities accounted for using equity method	38	0
Commission expenses	7	23
Product collection cost	14	–
Other	2	5
Total non-operating expenses	96	59
Ordinary profit (loss)	(912)	1,542
Profit (loss) before income taxes	(912)	1,542
Income taxes	3	774
Profit (loss)	(915)	768
Loss attributable to non-controlling interests	(1)	–
Profit (loss) attributable to owners of parent	(914)	768

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended January 31, 2023	Six months ended January 31, 2024
Profit (loss)	(915)	768
Other comprehensive income		
Valuation difference on available-for-sale securities	98	14
Total other comprehensive income	98	14
Comprehensive income	(816)	783
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(815)	783
Comprehensive income attributable to non-controlling interests	(1)	–