

June 10, 2025

Consolidated Financial Results for the Nine Months Ended April 30, 2025 (Under Japanese GAAP)

Company name: Pharma Foods Inc.
 Listing: Tokyo Stock Exchange
 Securities code: 2929
 URL: <https://www.pharmafoods.co.jp/>
 Representative: Please refer to the website.
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 Telephone: +81-75-394-8600
 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended April 30, 2025 (from August 1, 2024 to April 30, 2025)

(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	%
Nine months ended April 30, 2025	46,817	(0.8)	(217)	-	(231)	-	(1,123)	-
April 30, 2024	47,171	(10.2)	3,266	99.9	3,223	103.7	1,856	73.7

Note: Comprehensive income For the nine months ended April 30, 2025: ¥(1,486) million [-%]
 For the nine months ended April 30, 2024: ¥1,877 million [47.2%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended April 30, 2025	(39.18)	-
April 30, 2024	65.00	-

(2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of April 30, 2025	32,585	10,239	31.4
July 31, 2024	36,573	11,585	31.7

Reference: Equity
 As of April 30, 2025: ¥10,239 million
 As of July 31, 2024: ¥11,585 million

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 July 31, 2024	-	10.00	-	15.00	25.00
Fiscal year ending July 31, 2025	-	12.50	-	-	-
Fiscal year ending July 31, 2025 (Forecast)	-	-	-	12.50	25.00

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

3. Forecast of consolidated financial results for the fiscal year ending July 31, 2025 (from August 1, 2024 to July 31, 2025)

(Percentages indicate year-on-year changes.)

	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
Fiscal year ending July 31, 2025	65,000	4.6	2,000	(60.9)	2,300	(56.2)	1,600	(50.1)	57.00

Note: Revisions to the earnings forecasts most recently announced: None

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: 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: Yes
- (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 April 30, 2025	29,079,000 shares
As of July 31, 2024	29,079,000 shares

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

As of April 30, 2025	22,378 shares
As of July 31, 2024	1,006,767 shares

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

Nine months ended April 30, 2025	28,690,110 shares
Nine months ended April 30, 2024	28,564,866 shares

- * Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (optional)

* Proper use of earnings forecasts, and other special matters

(Cautions on forward-looking statements, etc.)

The forward-looking statements, including forecasts of financial results, contained in these materials are based on information available to the Company and on certain assumptions deemed to be reasonable. Actual financial results may differ from the results anticipated in the statements due to various factors. For the assumptions and other matters related to the above forecasts, please refer to "1. Summary of Operating Results, etc. (3) Explanation of Forward-Looking Information such as Consolidated Earnings Forecasts."

(Method of accessing supplementary material on financial results)

Supplementary financial results materials will be posted on the Company's website on June 10, 2025.

Quarterly consolidated balance sheet

(Millions of yen)

	As of July 31, 2024	As of April 30, 2025
Assets		
Current assets		
Cash and deposits	15,666	10,348
Notes and accounts receivable - trade	4,038	4,402
Electronically recorded monetary claims - operating	258	217
Merchandise and finished goods	5,292	5,368
Work in process	619	838
Raw materials and supplies	806	606
Other	596	1,444
Allowance for doubtful accounts	(2)	(0)
Total current assets	27,275	23,225
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,157	2,110
Machinery, equipment and vehicles, net	725	632
Tools, furniture and fixtures, net	509	572
Land	1,190	1,194
Leased assets, net	11	30
Construction in progress	16	162
Total property, plant and equipment	4,609	4,703
Intangible assets		
Goodwill	124	81
Other	52	53
Total intangible assets	177	135
Investments and other assets		
Investment securities	3,037	2,586
Deferred tax assets	351	880
Other	1,122	1,055
Total investments and other assets	4,510	4,522
Total non-current assets	9,298	9,360
Total assets	36,573	32,585

	As of July 31, 2024	As of April 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,250	1,296
Short-term borrowings	14,900	11,900
Current portion of long-term borrowings	760	560
Accounts payable - other	4,039	5,492
Income taxes payable	1,384	745
Provision for bonuses	72	166
Other	755	965
Total current liabilities	23,163	21,125
Non-current liabilities		
Long-term borrowings	1,231	811
Retirement benefit liability	384	360
Other	208	47
Total non-current liabilities	1,824	1,219
Total liabilities	24,987	22,345
Net assets		
Shareholders' equity		
Share capital	2,043	2,043
Capital surplus	1,814	1,814
Retained earnings	8,356	6,198
Treasury shares	(1,194)	(20)
Total shareholders' equity	11,019	10,036
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	566	203
Total accumulated other comprehensive income	566	203
Total net assets	11,585	10,239
Total liabilities and net assets	36,573	32,585

Quarterly consolidated statement of income

(Millions of yen)

	Nine months ended April 30, 2024	Nine months ended April 30, 2025
Net sales	47,171	46,817
Cost of sales	9,869	9,090
Gross profit	37,301	37,726
Selling, general and administrative expenses		
Research and development expenses	705	960
Advertising expenses	24,397	28,318
Commission expenses	3,171	3,187
Amortization of goodwill	81	43
Other	5,679	5,433
Total selling, general and administrative expenses	34,035	37,944
Operating profit (loss)	3,266	(217)
Non-operating income		
Interest income	1	6
Dividend income	14	15
Foreign exchange gains	8	-
Subsidy income	33	140
Gain on investments in investment partnerships	-	2
Outsourcing service income	12	12
Other	27	43
Total non-operating income	98	222
Non-operating expenses		
Interest expenses	44	68
Foreign exchange losses	-	11
Loss on investments in investment partnerships	2	-
Share of loss of entities accounted for using equity method	28	120
Commission expenses	26	17
Other	38	19
Total non-operating expenses	140	236
Ordinary profit (loss)	3,223	(231)
Extraordinary income		
Gain on sale of investment securities	10	-
Total extraordinary income	10	-
Profit (loss) before income taxes	3,234	(231)
Income taxes	1,377	892
Profit (loss)	1,856	(1,123)
Profit (loss) attributable to owners of parent	1,856	(1,123)

Quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended April 30, 2024	Nine months ended April 30, 2025
Profit (loss)	1,856	(1,123)
Other comprehensive income		
Valuation difference on available-for-sale securities	20	(362)
Total other comprehensive income	20	(362)
Comprehensive income	1,877	(1,486)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,877	(1,486)
Comprehensive income attributable to non-controlling interests	-	-

Quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended April 30, 2024	Nine months ended April 30, 2025
Cash flows from operating activities		
Profit (loss) before income taxes	3,234	(231)
Depreciation	393	527
Amortization of goodwill	81	43
Increase (decrease) in allowance for doubtful accounts	(0)	(2)
Increase (decrease) in provision for bonuses	93	93
Increase (decrease) in retirement benefit liability	(8)	(23)
Interest and dividend income	(16)	(22)
Subsidy income	(33)	(140)
Interest expenses	44	68
Foreign exchange losses (gains)	(6)	7
Share of loss (profit) of entities accounted for using equity method	28	120
Loss (gain) on investments in investment partnerships	2	(2)
Loss (gain) on sale of investment securities	(10)	-
Decrease (increase) in consumption taxes refund receivable	(66)	(542)
Decrease (increase) in trade receivables	366	(322)
Decrease (increase) in inventories	(210)	(95)
Increase (decrease) in trade payables	268	46
Increase (decrease) in accounts payable - other	302	1,503
Increase (decrease) in accrued consumption taxes	(19)	61
Other, net	(222)	(40)
Subtotal	4,220	1,045
Interest and dividends received	16	22
Subsidies received	42	215
Interest paid	(44)	(68)
Income taxes paid	(744)	(2,198)
Income taxes refund	62	-
Net cash provided by (used in) operating activities	3,553	(982)

	Nine months ended April 30, 2024	Nine months ended April 30, 2025
Cash flows from investing activities		
Payments into time deposits	(100)	-
Purchase of property, plant and equipment	(518)	(624)
Purchase of intangible assets	(29)	(13)
Purchase of investment securities	(314)	(64)
Proceeds from sale of investment securities	53	0
Other, net	(9)	23
Net cash provided by (used in) investing activities	(917)	(679)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(500)	(3,000)
Proceeds from long-term borrowings	300	-
Repayments of long-term borrowings	(753)	(620)
Purchase of treasury shares	(999)	-
Proceeds from disposal of treasury shares	-	761
Dividends paid	(626)	(784)
Other, net	(8)	(5)
Net cash provided by (used in) financing activities	(2,588)	(3,648)
Effect of exchange rate change on cash and cash equivalents	6	(7)
Net increase (decrease) in cash and cash equivalents	54	(5,318)
Cash and cash equivalents at beginning of period	16,306	15,566
Cash and cash equivalents at end of period	16,360	10,248

(Notes on segment information, etc.)

Segment Information

I. the nine months of the previous fiscal year (August 1, 2023 to April 30, 2024)

1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustment amount (Note) 2	Quarterly consolidated statements of income (Note)3
	BtoB Business	BtoC Business	Biomedical Business	Total				
Sales								
Revenues from external customers	6,507	40,418	231	47,157	13	47,171	-	47,171
Transactions with other segments	-	-	-	-	-	-	-	-
Total	6,507	40,418	231	47,157	13	47,171	-	47,171
Segment profit (loss)	1,313	3,331	(315)	4,330	(13)	4,316	(1,050)	3,266

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments and include the fund management business.

2. Adjustments for segment profit or loss (loss) of (1,050) million yen include (969) million yen in corporate expenses and (81) million yen in amortization of goodwill that have not been allocated to each reporting segment. Company-wide expenses include general and administrative expenses that are not attributable to the reporting segment.

3. Segment profit or loss (loss) is adjusted for operating income in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.

II. the nine months of the current fiscal year (August 1, 2024 to April 30, 2025)

1. Information on sales and the amount of profit or loss for each reported segment

(in millions of yen)

	Reportable segments				Other (Note) 1	Total	Adjustment amount (Note) 2	Quarterly consolidated statements of income (Note)3
	BtoB Business	BtoC Business	Biomedical Business	Total				
Sales								
Revenues from external customers	5,834	40,728	239	46,802	14	46,817	-	46,817
Transactions with other segments	-	-	-	-	-	-	-	-
Total	5,834	40,728	239	46,802	14	46,817	-	46,817
Segment profit (loss)	882	591	(274)	1,199	(5)	1,193	(1,411)	(217)

Note: 1. The "Other" category refers to business segments that are not included in the reporting segments and include the fund management business.

2. Adjustments for segment profit or loss (loss) of (1,411) million yen include (1,367) million yen in corporate expenses and amortization of goodwill of (43) million yen that have not been allocated to each reporting segment. Company-wide expenses include general and administrative expenses that are not attributable to the reporting segment.

3. Segment profit or loss (loss) is adjusted for operating loss in the quarterly consolidated statements of income.

2. Information on impairment losses or goodwill on fixed assets by reporting segment

Not applicable.