

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended April 30, 2024 (Based on Japanese GAAP)

June 10, 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: June 14, 2024
 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 nine months ended April 30, 2024 (from August 1, 2023 to April 30, 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	%
Nine months ended April 30, 2024	47,171	(10.2)	3,266	99.9	3,223	103.7	1,856	73.7
Nine months ended April 30, 2023	52,533	19.3	1,634	75.4	1,582	47.0	1,068	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended April 30, 2024	65.00		–	
Nine months ended April 30, 2023	37.00		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of April 30, 2024	36,931	10,015	27.1
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	–	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 nine months ended April 30, 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 April 30, 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 April 30, 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)

Nine months ended April 30, 2024	28,564,866 shares	Nine months ended April 30, 2023	28,887,115 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of July 31, 2023	As of April 30, 2024
Assets		
Current assets		
Cash and deposits	16,306	16,460
Notes and accounts receivable - trade	4,058	3,913
Electronically recorded monetary claims - operating	526	303
Merchandise and finished goods	4,594	4,762
Work in process	676	675
Raw materials and supplies	783	840
Other	588	814
Allowance for doubtful accounts	(2)	(1)
Total current assets	27,530	27,769
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,449	2,397
Machinery, equipment and vehicles, net	541	694
Tools, furniture and fixtures, net	154	310
Land	1,190	1,190
Leased assets, net	21	13
Construction in progress	47	44
Total property, plant and equipment	4,404	4,650
Intangible assets		
Goodwill	197	142
Other	41	55
Total intangible assets	238	197
Investments and other assets		
Investment securities	2,514	2,804
Deferred tax assets	395	349
Other	1,149	1,159
Allowance for doubtful accounts	(0)	–
Total investments and other assets	4,058	4,313
Total non-current assets	8,701	9,162
Total assets	36,232	36,931

(Millions of yen)

	As of July 31, 2023	As of April 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	937	1,205
Short-term borrowings	17,400	16,900
Current portion of long-term borrowings	955	872
Accounts payable - other	3,728	4,140
Income taxes payable	264	1,011
Provision for bonuses	72	165
Other	1,016	774
Total current liabilities	24,374	25,069
Non-current liabilities		
Long-term borrowings	1,741	1,371
Retirement benefit liability	320	312
Other	165	162
Total non-current liabilities	2,227	1,846
Total liabilities	26,601	26,915
Net assets		
Shareholders' equity		
Share capital	2,043	2,043
Capital surplus	1,814	1,814
Retained earnings	5,792	7,008
Treasury shares	(343)	(1,194)
Total shareholders' equity	9,306	9,670
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	324	345
Total accumulated other comprehensive income	324	345
Total net assets	9,630	10,015
Total liabilities and net assets	36,232	36,931

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

Consolidated statements of income (cumulative)

(Millions of yen)

	Nine months ended April 30, 2023	Nine months ended April 30, 2024
Net sales	52,533	47,171
Cost of sales	10,227	9,869
Gross profit	42,306	37,301
Selling, general and administrative expenses		
Research and development expenses	599	705
Advertising expenses	31,144	24,397
Commission expenses	3,043	3,171
Amortization of goodwill	54	81
Other	5,829	5,679
Total selling, general and administrative expenses	40,672	34,035
Operating profit	1,634	3,266
Non-operating income		
Interest income	1	1
Dividend income	13	14
Foreign exchange gains	–	8
Subsidy income	44	33
Outsourcing service income	12	12
Other	28	27
Total non-operating income	100	98
Non-operating expenses		
Interest expenses	37	44
Foreign exchange losses	3	–
Loss on investments in investment partnerships	10	2
Share of loss of entities accounted for using equity method	61	28
Commission expenses	29	26
Expenses related to product collection, etc.	5	–
Other	2	38
Total non-operating expenses	152	140
Ordinary profit	1,582	3,223
Extraordinary income		
Gain on sale of investment securities	–	10
Gain on receipt of donated non-current assets	8	–
Total extraordinary income	8	10
Extraordinary losses		
Loss on sale of non-current assets	6	–
Total extraordinary losses	6	–
Profit before income taxes	1,584	3,234
Income taxes	516	1,377
Profit	1,067	1,856
Loss attributable to non-controlling interests	(0)	–
Profit attributable to owners of parent	1,068	1,856

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Nine months ended April 30, 2023	Nine months ended April 30, 2024
Profit	1,067	1,856
Other comprehensive income		
Valuation difference on available-for-sale securities	207	20
Total other comprehensive income	207	20
Comprehensive income	1,275	1,877
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,276	1,877
Comprehensive income attributable to non-controlling interests	(0)	–