

Translation

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Summary of Consolidated Financial Results for the Six Months Ended January 31, 2025 (Based on Japanese GAAP)

March 12, 2025

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
 Inquiries: Department Toshihiro Kawanaka TEL 075-394-8600
 Scheduled date to file Semi-annual Securities Report: March 14, 2025
 Scheduled date to commence dividend payments: April 2, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended January 31, 2025 (from August 1, 2024 to January 31, 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	%
Six months ended January 31, 2025	29,857	(5.7)	623	(59.4)	645	(58.2)	229	(70.1)
Six months ended January 31, 2024	31,652	(9.9)	1,535	–	1,542	–	768	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended January 31, 2025	8.06		–	
Six months ended January 31, 2024	26.68		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of January 31, 2025	32,975	12,048	36.5
As of July 31, 2024	36,573	11,585	31.7

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, 2024	–	10.00	–	15.00	25.00
Year ending July 31, 2025	–	12.50	–	–	–
Year ending July 31, 2025 (Forecast)	–	–	–	12.50	25.00

3. Forecast of consolidated financial results for the 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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	65,000	4.6	2,000	(60.9)	2,300	(56.2)	1,600	(50.1)	57.00

4. Notes

(1) Significant changes in the scope of consolidation during the six months ended January 31, 2025: No

(2) Application of special accounting methods for preparing semi-annual 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: Yes

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, 2025	29,079,000 shares	As of July 31, 2024	29,079,000 shares
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Number of treasury shares at the end of the period

As of January 31, 2025	19,969 shares	As of July 31, 2024	1,006,767 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, 2025	28,512,791 shares	Six months ended January 31, 2024	28,805,827 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of July 31, 2024	As of January 31, 2025
Assets		
Current assets		
Cash and deposits	15,666	11,106
Notes and accounts receivable - trade	4,038	3,817
Electronically recorded monetary claims - operating	258	273
Merchandise and finished goods	5,292	5,370
Work in process	619	904
Raw materials and supplies	806	612
Other	596	1,228
Allowance for doubtful accounts	(2)	(0)
Total current assets	27,275	23,313
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,157	2,123
Machinery, equipment and vehicles, net	725	656
Tools, furniture and fixtures, net	509	578
Land	1,190	1,190
Leased assets, net	11	10
Construction in progress	16	209
Total property, plant and equipment	4,609	4,768
Intangible assets		
Goodwill	124	91
Other	52	47
Total intangible assets	177	139
Investments and other assets		
Investment securities	3,037	2,714
Deferred tax assets	351	915
Other	1,122	1,124
Total investments and other assets	4,510	4,754
Total non-current assets	9,298	9,661
Total assets	36,573	32,975

(Millions of yen)

	As of July 31, 2024	As of January 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,250	1,156
Short-term borrowings	14,900	10,900
Current portion of long-term borrowings	760	593
Accounts payable - other	4,039	4,944
Income taxes payable	1,384	1,008
Provision for bonuses	72	81
Other	755	808
Total current liabilities	23,163	19,492
Non-current liabilities		
Long-term borrowings	1,231	951
Retirement benefit liability	384	367
Other	208	116
Total non-current liabilities	1,824	1,435
Total liabilities	24,987	20,927
Net assets		
Shareholders' equity		
Share capital	2,043	2,043
Capital surplus	1,814	1,814
Retained earnings	8,356	7,915
Treasury shares	(1,194)	(20)
Total shareholders' equity	11,019	11,753
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	566	294
Total accumulated other comprehensive income	566	294
Total net assets	11,585	12,048
Total liabilities and net assets	36,573	32,975

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, 2024	Six months ended January 31, 2025
Net sales	31,652	29,857
Cost of sales	6,551	5,572
Gross profit	25,101	24,285
Selling, general and administrative expenses		
Research and development expenses	482	638
Advertising expenses	16,990	17,442
Commission expenses	2,157	2,044
Amortization of goodwill	63	33
Other	3,872	3,503
Total selling, general and administrative expenses	23,565	23,661
Operating profit	1,535	623
Non-operating income		
Interest income	0	1
Dividend income	13	15
Foreign exchange gains	4	–
Subsidy income	22	100
Gain on investments in investment partnerships	–	2
Outsourcing service income	8	8
Other	17	35
Total non-operating income	67	165
Non-operating expenses		
Interest expenses	27	41
Foreign exchange losses	–	5
Loss on investments in investment partnerships	2	–
Share of loss of entities accounted for using equity method	0	67
Commission expenses	23	12
Other	5	16
Total non-operating expenses	59	143
Ordinary profit	1,542	645
Profit before income taxes	1,542	645
Income taxes	774	415
Profit	768	229
Profit attributable to owners of parent	768	229

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended January 31, 2024	Six months ended January 31, 2025
Profit	768	229
Other comprehensive income		
Valuation difference on available-for-sale securities	14	(271)
Total other comprehensive income	14	(271)
Comprehensive income	783	(41)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	783	(41)
Comprehensive income attributable to non-controlling interests	—	—

Consolidated statements of cash flows

(Millions of yen)

	Six months ended January 31, 2024	Six months ended January 31, 2025
Cash flows from operating activities		
Profit before income taxes	1,542	645
Depreciation	254	336
Amortization of goodwill	63	33
Increase (decrease) in allowance for doubtful accounts	(0)	(2)
Increase (decrease) in retirement benefit liability	(10)	(16)
Increase (decrease) in provision for bonuses	8	8
Interest and dividend income	(14)	(17)
Subsidy income	(22)	(100)
Interest expenses	27	41
Foreign exchange losses (gains)	(3)	3
Share of loss (profit) of entities accounted for using equity method	0	67
Loss (gain) on investments in investment partnerships	2	(2)
Decrease (increase) in trade receivables	602	205
Decrease (increase) in inventories	194	(170)
Increase (decrease) in trade payables	84	(93)
Increase (decrease) in accounts payable - other	766	849
Decrease (increase) in consumption taxes refund receivable	(120)	(299)
Increase (decrease) in accrued consumption taxes	(4)	38
Other, net	(320)	(367)
Subtotal	3,050	1,159
Interest and dividends received	14	17
Interest paid	(27)	(41)
Subsidies received	19	197
Income taxes paid	(283)	(1,313)
Income taxes refund	62	–
Net cash provided by (used in) operating activities	2,835	19
Cash flows from investing activities		
Purchase of property, plant and equipment	(376)	(425)
Purchase of intangible assets	(16)	(1)
Purchase of investment securities	(200)	(64)
Other, net	(8)	27
Net cash provided by (used in) investing activities	(602)	(464)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	(4,000)
Proceeds from long-term borrowings	300	–
Repayments of long-term borrowings	(490)	(446)
Purchase of treasury shares	(999)	–
Proceeds from disposal of treasury shares	–	761
Dividends paid	(346)	(421)
Other, net	(5)	(4)
Net cash provided by (used in) financing activities	(1,542)	(4,110)
Effect of exchange rate change on cash and cash equivalents	3	(3)
Net increase (decrease) in cash and cash equivalents	694	(4,559)
Cash and cash equivalents at beginning of period	16,306	15,566
Cash and cash equivalents at end of period	17,001	11,006