

Consolidated Financial Results for the First Three Months Ended June 30, 2024 (Japanese GAAP)

August 5, 2024

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Scheduled date for dividend payment: —
 Preparation of supplementary material on quarterly financial results: Yes
 Quarterly financial results briefing to be held : None

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

1. Consolidated Financial Results for the First Three Months Ended June 30, 2024 (April 1, 2024 to June 30, 2024)

(1) Consolidated operating results

(Percentages indicate YoY changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended June 30, 2024	522,093	1.8	6,117	4.7	6,289	-4.3	4,411	-3.2
Three months ended June 30, 2023	512,753	—	5,844	44.7	6,573	38.4	4,558	39.3

Note: Comprehensive income for the first three months ended June 30, 2024 was 4,059 million yen (-42.3% YoY).
 Comprehensive income for the first three months ended June 30, 2023 was 7,029 million yen (214.9% YoY).

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	101.55	—
Three months ended June 30, 2023	104.94	—

Note: The Company has changed its presentation method from the first three months ended June 30, 2024, and the figures for the first three months ended June 30, 2023 have been adjusted to reflect these changes. In addition, the sales YoY changes for the first three months ended June 30, 2023 are not provided due to the changes in the presentation method.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Three months ended June 30, 2024	799,440	205,487	25.6	4,712.79
Fiscal year ended March 31, 2024	794,250	203,869	25.7	4,692.64

Reference: Equity capital amounted to 204,711 million yen as of June 30, 2024 and 203,836 million yen as of March 31, 2024.

2. Dividends

	Annual dividend per share				
	End of Q1	End of Q2	End of Q3	Year-end	Total
Fiscal year ending March 31, 2024	Yen —	Yen 80.00	Yen —	Yen 80.00	Yen 160.00
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (forecast)		90.00	—	95.00	185.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate YoY changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	2,130,000	2.1	31,500	6.7	33,000	5.1	22,800	1.0	524.89

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

*Notes

(1) Significant changes in the scope of consolidation during the period under review: None

(2) Distinctive accounting treatment methods applied to prepare quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates and retrospective restatements

- Accounting policy changes due to accounting standard revisions, etc.: Yes
- Other accounting policy changes: None
- Changes in accounting estimates: None
- Retrospective restatements: None

Note: For details, please refer to "2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes to Quarterly Consolidated Financial Statements (Notes on Changes in Accounting Policies) on page 8 of the Accompanying Materials.

(4) Number of issued shares (common stock)

1. Number of issued shares at end of period (including treasury stock)	As of June 30, 2024	43,537,200	As of March 31, 2024	43,537,200
2. Number of treasury shares at end of period	As of June 30, 2024	99,810	As of March 31, 2024	99,775
3. Average number of shares outstanding during period	Three months ended June 30, 2024	43,437,399	Three months ended June 30, 2023	43,437,742

* Review of the accompanying quarterly consolidated financial statements by a certified public accountant or auditing firm: None

*Appropriate use of earnings forecast and other special notes

(Notes on forward-looking statements, etc.)

The above forecast is based on information available as of the date of publication of this document, and actual results may differ from the forecast due to various factors that may arise in the future.

(How to access supplementary materials on financial results)

Supplementary materials on financial results will be posted on the Company's website on August 5, 2024.

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1. Qualitative Information on Quarterly Financial Performance

(1) Explanation of Operating Results

During the first three months of the current fiscal year (April 1 to June 30, 2024), the Japanese economy showed improvement in income conditions. However, the outlook remained uncertain as a persistent uptrend in food prices has led to increased frugality and polarization in consumption.

Under such circumstances, the Mitsubishi Shokuhin Group has worked to provide higher value-added functions and services in line with its mission to support the food supply chain.

As an example of a specific initiative undertaken during the period under review, we invested in Homefarm Holding Joint Stock Company, a Vietnam-based retailer specializing in imported foods. Going forward, we will utilize its store network to promote the creation of new demand in overseas markets through the export of Japanese food culture.

The Company Group unveiled the new management plan, “MS Vision 2030,” which will start in fiscal 2024 and end in fiscal 2030. We have expanded our Group purpose by adding “Simultaneous resolution of key sustainability issues” to the existing “Contribute to the realization of a sustainable society through the food business.” We have also set where we want to be in fiscal 2030 and have constructed a backcast-type growth strategy in line with these goals.

“MS Vision 2030” reflects the determination and desire of our Group to work together as one to pioneer the next era so that the food supply chain will continue to function sustainably while sharing values for the future, and so that new food values can be created continuously.

The consolidated financial results for the first three months of the current fiscal year were as follows.

We changed our presentation method from the first three months of the current fiscal year. Comparisons against the first three months of the previous fiscal year below are based on reclassified figures reflecting the change in the presentation method.

In the first three months of the current fiscal year, net sales rose 1.8% year-on-year to ¥522,093 million, driven by growth in overall transactions centered on the wholesale business, where transactions with convenience stores and discount stores were robust. Operating profit was up 4.7% year-on-year to ¥6,117 million, thanks mainly to transaction growth centered on the wholesale business and improved profit margins resulting from stronger profitability management. Ordinary profit fell 4.3% year-on-year to ¥6,289 million in large part due to a one-time loss at an overseas affiliate, and profit attributable to owners of parent was down 3.2% year-on-year to ¥4,411 million.

Results by segment are as follows.

We have changed our reportable segment classification from the first three months of the current fiscal year. Comparisons against the first three months of the previous fiscal year below are based on reclassified figures reflecting the change in the segment classification. For details on the changes to our reportable segment classification, please refer to “2. Quarterly Consolidated Financial Statements and Primary Notes (3) Notes to Quarterly Consolidated Financial Statements (Notes on segment information, etc.) 3. Changes in reportable segments, etc.”

① Wholesale business

Sales in the wholesale business rose mainly due to strong transactions with convenience stores and discount stores. Profit remained in line with the year-earlier level as an increase in gross profit on sales growth absorbed higher SG&A expenses, including logistics costs.

As a result, the wholesale business generated sales of ¥468,525 million (+1.4% year-on-year) and operating profit of ¥5,551 million (+0.0% year-on-year).

② Brand development business

Sales in the brand development business rose mainly thanks to contributions from newly offered brands. Profit exceeded the year-earlier level as a result of a drop in sales promotion expenses and other factors.

As a result, the brand development business posted sales of ¥7,464 million (+1.4% year-on-year) and operating profit of ¥28 million (¥102 million improvement year-on-year).

③ Logistics business

Sales in the logistics business expanded chiefly on the back of growth in transactions with specific retailers. Profit fell below the year-earlier level as gross profit growth driven by higher sales was offset by increased SG&A expenses.

As a result, the logistics business reported sales of ¥35,169 million (+3.2% year-on-year) and operating profit of ¥922

million (-5.9% year-on-year).

④ Functional development business

Sales in the functional development business expanded primarily due to solid raw materials transactions in the manufacturer support business. Profit fell below the year-earlier level mainly as a result of a one-time loss at an overseas affiliate.

As a result, the functional development business generated sales of ¥10,934 million (+18.6% year-on-year) and operating profit of ¥111 million (-77.0% year-on-year).

(2) Explanation of Financial Position

At the end of the first three months of the current fiscal year, total assets increased by ¥5,189 million, liabilities increased by ¥3,571 million, and net assets increased by ¥1,617 million, compared to the end of the previous fiscal year.

The increases in total assets and liabilities were largely due to seasonal factors. In total assets, notes and accounts receivable - trade under current assets rose by ¥8,059 million, while for liabilities, accounts payable - trade under current liabilities expanded by ¥17,241 million.

2. Quarterly Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	Fiscal year ended March 31, 2024 (as of March 31, 2024)	Three months ended June 30, 2024 (as of June 30, 2024)
Assets		
Current assets		
Cash and deposits	832	452
Notes and accounts receivable - trade	389,262	397,322
Merchandise and finished goods	71,217	73,776
Raw materials and supplies	1,043	1,052
Short-term loans receivable	111,612	109,975
Other	68,598	66,030
Allowance for doubtful accounts	△256	△257
Total current assets	642,310	648,353
Non-current assets		
Property, plant and equipment	80,309	80,832
Intangible assets		
Goodwill	1,773	1,679
Other	14,860	14,272
Total intangible assets	16,633	15,951
Investments and other assets		
Investment securities	33,951	33,869
Other	21,141	20,529
Allowance for doubtful accounts	△95	△96
Total investments and other assets	54,996	54,303
Total non-current assets	151,939	151,087
Total assets	794,250	799,440

(Millions of yen)

	Fiscal year ended March 31, 2024 (as of March 31, 2024)	Three months ended June 30, 2024 (as of June 30, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	483,161	500,403
Provisions	3,777	390
Other	72,927	60,942
Total current liabilities	559,867	561,735
Non-current liabilities		
Retirement benefit liability	11,403	11,354
Provisions	4	21
Asset retirement obligations	11,219	11,198
Other	7,885	9,642
Total non-current liabilities	30,513	32,217
Total liabilities	590,381	593,952
Net assets		
Shareholders' equity		
Share capital	10,630	10,630
Capital surplus	10,117	10,419
Retained earnings	170,062	170,990
Treasury shares	△ 340	△ 341
Total shareholders' equity	190,469	191,699
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,031	11,535
Deferred gains or losses on hedges	129	259
Foreign currency translation adjustment	176	214
Remeasurements of defined benefit plans	1,029	1,001
Total accumulated other comprehensive income	13,366	13,011
Non-controlling interests	33	775
Total net assets	203,869	205,487
Total liabilities and net assets	794,250	799,440

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income

Consolidated Statement of Income (for the first three months of the current fiscal year)

(Millions of yen)

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Net sales	512,753	522,093
Cost of sales	477,391	485,226
Gross profit	35,361	36,866
Selling, general and administrative expenses	29,517	30,749
Operating profit	5,844	6,117
Non-operating income		
Interest income	13	39
Dividend income	366	407
Rental income from real estate	362	448
Other	405	307
Total non-operating income	1,148	1,202
Non-operating expenses		
Interest expenses	35	34
Rental expenses on real estate	320	420
Share of loss of entities accounted for using equity method	—	471
Other	62	103
Total non-operating expenses	419	1,029
Ordinary profit	6,573	6,289
Extraordinary income		
Gain on sale of shares of subsidiaries	—	376
Gain on sale of investment securities	28	—
Total extraordinary income	28	376
Profit before income taxes	6,601	6,666
Income taxes - current	542	499
Income taxes - deferred	1,494	1,752
Total income taxes	2,037	2,252
Profit	4,563	4,413
Profit attributable to non-controlling interests	5	2
Profit attributable to owners of parent	4,558	4,411

Consolidated Statement of Comprehensive Income (for the first three months of the current fiscal year)

(Millions of yen)

	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Profit	4,563	4,413
Other comprehensive income		
Valuation difference on available-for-sale securities	1,926	△495
Deferred gains or losses on hedges	173	130
Foreign currency translation adjustment	0	6
Remeasurements of defined benefit plans, net of tax	△30	△27
Share of other comprehensive income of entities accounted for using equity method	396	30
Total other comprehensive income	2,466	△354
Comprehensive income	7,029	4,059
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,024	4,056
Comprehensive income attributable to non-controlling interests	5	2

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company has applied the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022; hereafter the "Revised Accounting Standard 2022"), etc., from the beginning of the first three months of the current fiscal year.

The amendment to categories in which income taxes (taxation on other comprehensive income) should be recorded follows the transitional treatment prescribed in the proviso of Paragraph 20-3 of the Revised Accounting Standard 2022, and the transitional treatment prescribed in proviso (2) of Paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereafter the "Revised Implementation Guidance 2022"). This change in accounting policy has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on the sale of shares, etc., in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been applied from the beginning of the first three months of the current fiscal year. This change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements for the first three months of the previous fiscal year and the consolidated financial statements for the previous fiscal year have been adjusted accordingly. This change has no impact on the quarterly consolidated financial statements for the first three months of the previous fiscal year and on the consolidated financial statements for the previous fiscal year.

(Notes to going concern assumptions)

None to be reported.

(Notes in the event of significant changes in shareholders' equity)

None to be reported.

(Additional information)

(Changes in Presentation Method)

(Consolidated Statement of Income)

Income and expenses related to some services contracted from customers were previously presented under "Cost of sales" and "Selling, general and administrative expenses." From the first three months of the current fiscal year, the Company has changed the presentation method to show income from contracted services under "Net sales" and related costs under "Cost of sales."

These changes were made to more appropriately reflect the actual nature of our business operations, based on the recognition that contracted services are positioned as part of our main business and recognized as one of the stable sources of revenue.

As a result of the changes, in the quarterly consolidated statement of income for the first three months of the previous fiscal year, ¥432 million that was deducted from "Cost of sales," and ¥2,133 million that was deducted from "Selling, general and administrative expenses" have been reclassified under "Net sales." Also, ¥2,289 million that was included in "Selling, general and administrative expenses" has been reclassified under "Cost of sales." Due to this reclassification, gross profit decreased by ¥156 million, but there is no impact on operating profit, ordinary profit, or profit before income taxes.

(Notes on Quarterly Consolidated Statement of Cash Flows)

The Company has not prepared a quarterly consolidated statement of cash flows for the first three months of the current fiscal year. However, depreciation (including amortization related to intangible assets other than goodwill) in the first three months of the current fiscal year and amortization of goodwill were as follows.

	(Millions of yen)	
	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Depreciation	2,948	2,974
Amortization of goodwill	94	94

(Segment information, etc.)

Segment information

I First three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

1. Information on sales and profit or loss by reportable segment and breakdown of earnings

	Reportable segments					(Millions of yen)	
	Wholesale business	Brand development business	Logistics business	Functional development business	Total	Adjustments	Amount recorded on consolidated statement of income
Sales							
Sales generated through contracts with customers	462,079	7,359	34,091	9,222	512,753	—	512,753
Other sales	—	—	—	—	—	—	—
Sales generated through external customers	462,079	7,359	34,091	9,222	512,753	—	512,753
Intersegment sales and transfers	6	12	1,700	70	1,790	(1,790)	—
Total	462,086	7,372	35,791	9,293	514,543	(1,790)	512,753
Segment profit	5,550	(74)	980	485	6,941	(368)	6,573

2. Difference between the total amount of profit or loss of the reportable segments and the amount recorded in the quarterly consolidated statement of income, and key details of the difference (matters related to adjustment of the difference)

	(Millions of yen)
Profit	Amount
Total of reportable segments	6,941
Amortization of goodwill	(74)
Corporate-wide expenses	(294)
Operating profit on quarterly consolidated statement of income	6,573

II First three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Information on sales and profit or loss by reportable segment and breakdown of earnings

(Millions of yen)

	Reportable segments					Adjustments	Amount recorded on consolidated statement of income
	Wholesale business	Brand development business	Logistics business	Functional development business	Total		
Sales							
Sales generated through contracts with customers	468,525	7,464	35,169	10,934	522,093	—	522,093
Other sales	—	—	—	—	—	—	—
Sales generated through external customers	468,525	7,464	35,169	10,934	522,093	—	522,093
Intersegment sales and transfers	18	15	2,231	42	2,306	(2,306)	—
Total	468,543	7,479	37,400	10,976	524,399	(2,306)	522,093
Segment profit	5,551	28	922	111	6,614	(324)	6,289

2. Difference between the total amount of profit or loss of the reportable segments and the amount recorded in the quarterly consolidated statement of income, and key details of the difference (matters related to adjustment of the difference)

(Millions of yen)

Profit	Amount
Total of reportable segments	6,614
Amortization of goodwill	(74)
Corporate-wide expenses	(249)
Operating profit on quarterly consolidated statement of income	6,289

3. Changes in reportable segments, etc.

Based on the growth strategy outlined in the newly formulated “MS Vision 2030” management plan starting from fiscal 2024, the Company has changed its reportable segments from the previous classification of “processed foods business,” “frozen and chilled foods business,” “alcoholic beverages business,” and “confectionery business” to “wholesale business,” “brand development business,” “logistics business,” and “functional development business,” with the new classification taking effect from the first three months of the current fiscal year. The Company has also changed the profit metric for reportable segments from operating profit to ordinary profit.

The figures in the segment information for the first three months of the previous fiscal year have been adjusted to reflect the new reportable segment classification.

3. Supplementary Information

(1) Sales by Product Category

(Rounded down to the nearest million yen)

Product category	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)		Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)		Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	
	Amount (Millions of yen)	% of total sales	Amount (Millions of yen)	% of total sales	Amount (Millions of yen)	% of total sales
Canned foods and seasonings	59,576	11.6	59,275	11.4	241,598	11.6
Noodles and dried foods	34,902	6.8	35,760	6.8	148,553	7.1
Luxury foods and beverages	55,633	10.8	56,694	10.9	224,648	10.8
Confectionery	71,403	14.0	73,571	14.0	290,066	13.9
Frozen and chilled foods	122,748	23.9	128,727	24.7	503,543	24.1
Beer	65,762	12.8	64,414	12.3	257,863	12.4
Other alcoholic beverages	53,217	10.4	52,621	10.1	215,195	10.3
Others	49,508	9.7	51,028	9.8	205,325	9.8
Total	512,753	100.0	522,093	100.0	2,086,794	100.0

* The Company has changed its presentation method from the first three months of the current fiscal year. The sales figures by product category for the first three months of the previous fiscal year and for the previous fiscal year have been restated to reflect the changes.

(2) Sales by Business Format

(Rounded down to the nearest million yen)

Business format	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)		Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)		Fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)	
	Amount (Millions of yen)	% of total sales	Amount (Millions of yen)	% of total sales	Amount (Millions of yen)	% of total sales
Wholesalers	47,017	9.2	47,993	9.2	192,179	9.2
Supermarkets	232,698	45.4	231,652	44.4	948,935	45.5
Convenience stores	96,840	18.9	99,652	19.1	389,083	18.6
Drugstores	42,781	8.3	43,802	8.4	172,211	8.3
Users	15,988	3.1	16,317	3.1	65,294	3.1
Other direct sales	61,324	12.0	64,675	12.4	254,382	12.2
(Total of direct sales)	449,634	87.7	456,100	87.4	1,829,907	87.7
Manufacturers and others	16,100	3.1	17,999	3.4	64,707	3.1
Total	512,753	100.0	522,093	100.0	2,086,794	100.0

Notes: 1. Users are businesses that provide food and beverage services directly to consumers, such as restaurants and food service operators that provide home-meal replacements and school lunches.

2. Other direct sales include discount stores, e-commerce operators, home improvement stores, department stores, etc.

* The Company has changed its presentation method and a partial revision to the business format classification from the first three months of the current fiscal year. The sales figures by business format for the first three months of the previous fiscal year and for the previous fiscal year have been restated to reflect these changes.

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