

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

Consolidated Financial Results for the Nine Months Ended December 31, 2024 [Japanese GAAP]



February 14, 2024

Company name: Synchro Food Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 3963
 URL: <https://www.synchro-food.co.jp>
 Representative: Shinichi Fujishiro, President and CEO and Chief of Operating for the Business Department
 Contact: Masaki Morita, Director & Chief of Operating for the Administrative Department
 Phone: +81-3-5768-9522
 Scheduled date of commencing dividend payments: June 26, 2025
 Preparation of supplementary material on financial results: Available
 Holding of financial results briefing: Available

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2024 (April 1, 2024 - December 31, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended December 31, 2024	2,922	10.1	840	10.4	828	8.9	555	7.1
December 31, 2023	2,654	26.1	761	17.4	760	17.0	518	18.3

Note: Comprehensive income: Nine months ended December 31, 2024: 556 million yen [7.1%]

Nine months ended December 31, 2023: 519 million yen [18.5%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2024	20.60	20.59
December 31, 2023	19.42	19.37

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2024	6,032	5,291	87.7
As of March 31, 2024	5,069	4,291	84.6

Reference: Equity: As of December 31, 2024: 5,291 million yen

As of March 31, 2024: 4,290 million yen

Note: During the six months ended September 30, 2024, tentative accounting related to business combination was finalized. Figures for the fiscal year ended March 31, 2024 reflect the contents of the finalization of tentative accounting.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	0.00	—	10.00	10.00
Fiscal year ending March 31, 2025	—	0.00	—		
Fiscal year ending March 31, 2025 (Forecast)				15.00	15.00

Notes: 1. Revision to the forecast for dividends announced most recently: No

2. Breakdown of the year-end dividends for the fiscal year ended March 31, 2024:
ordinary dividend: 5.00 yen; commemorative dividend: 5.00 yen

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
Full year	4,200	16.6	1,260	21.4	1,260	21.6	882	32.11

Note: Revision to the financial results forecast announced most recently: None

* Notes:

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

Newly included: — (), Excluded: — ()

(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 retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

December 31, 2024: 29,123,000 shares

March 31, 2024: 27,003,000 shares

2) Total number of treasury shares at the end of the period:

December 31, 2024: 164,542 shares

March 31, 2024: 198,733 shares

3) Average number of shares during the period:

Nine months ended December 31, 2024: 26,969,599 shares

Nine months ended December 31, 2023: 26,693,836 shares

** Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or audit firm: None*

** Explanation of the proper use of financial results forecast and other notes*

The financial results forecast and other forward-looking statements herein are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended as the Company's guarantee to achieve them. Actual results may differ significantly due to various factors. For conditions underlying the results forecast and matters of note on the use of the results forecast and other material, please see "1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information" on page 3 of Attachments.

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information	3
2. Quarterly Consolidated Financial Statements and Principal Notes	4
(1) Quarterly Consolidated Balance Sheets	4
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	6
Quarterly Consolidated Statements of Income	6
Nine months ended December 31	6
Quarterly Consolidated Statements of Comprehensive Income	7
Nine months ended December 31	7
(3) Notes to Quarterly Consolidated Financial Statements	8
(Notes on going concern assumption)	8
(Notes when there are significant changes in amounts of equity)	8
(Segment information, etc.)	9
(Notes on Statements of Cash Flows)	11
(Revenue recognition)	11
(Subsequent events)	11

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended December 31, 2024, the Group's financial results were net sales of 2,922,501 thousand yen (up 10.1% year on year), operating profit of 840,585 thousand yen (up 10.4% year on year), ordinary profit of 828,189 thousand yen (up 8.9% year on year), and profit attributable to owners of parent of 555,652 thousand yen (up 7.1% year on year).

Net sales by service category comprises 2,250,667 thousand yen in Service in Stage 3 (operating) (up 3.8% year on year), 473,236 thousand yen (up 44.2% year on year) in Service in Stages 1, 2, 4 (preparation, opening and closing business), and 198,597 thousand yen (up 25.8% year on year) in Other.

During the six months ended September 30, 2024, tentative accounting related to business combination was finalized. For comparisons and analyses with the previous fiscal year, revised figures that reflect the finalization of tentative accounting have been used.

Status by segment is as follows.

[Media Platform business]

The Media Platform business comprises services offered to restaurant operators through Inshokuten.com as well as services offered to related business operators including real estate agents and food suppliers who offer their services via Inshokuten.com.

As of December 31, 2024, the number of registered Inshokuten.com members was 311,069 (up 9.4% year on year), showing steady growth, helped by a steady trend in store opening, refurbishment, changes in business format, and other activities.

In addition, the number of real estate agents, interior furnishing service providers and related business operators who provide services via Inshokuten.com, increased steadily to 5,085 companies (up 2.7% year on year) (Note).

As a result of the above, net sales in the Media Platform business were 2,660,623 thousand yen (up 6.1% year on year), and segment profit was 739,899 thousand yen (down 2.7% year on year).

[M&A Services business]

This business comprises M&A-related services such as business transfers and share transfers, and support services to facilitate fully-furnished asset transfers, where the business can be transferred without removing the furnishings of the former restaurant operator.

Net sales grew because multiple small- and medium-sized M&A deals were closed, and deals for fully-furnished asset transfers remained stable.

As a result of the above, net sales in the M&A Services business were 261,884 thousand yen (up 77.0% year on year), and segment profit was 88,746 thousand yen (segment loss of 260 thousand yen in the same period of the previous year).

Note: This is the number of operators registered as real estate agents, interior furnishing service providers, and food suppliers as of December 31, 2024. (Excluding the interior furnishing service providers registered with Naisoh-kenchiku.com)

(2) Explanation of Financial Position

(Assets)

Current assets at the end of the nine months ended December 31, 2024 increased by 1,047,752 thousand yen from the end of the previous fiscal year to 5,458,935 thousand yen. The increase was mainly attributable to a rise in cash and deposits (an increase of 948,071 thousand yen from the end of the previous fiscal year) as a result of the issuance of shares. Non-current assets decreased by 85,024 thousand yen from the end of the previous fiscal year to 573,728 thousand yen. The decrease was mainly attributable to decreases of goodwill (a decrease of 31,317 thousand yen from the end of the previous fiscal year) and deferred tax assets (a decrease of 19,407 thousand yen from the end of the previous fiscal year). As a result of the above, total assets amounted to 6,032,664 thousand yen (an increase of 962,727 thousand yen from the end of the previous fiscal year).

(Liabilities)

Current liabilities at the end of the nine months ended December 31, 2024 decreased by 37,442 thousand yen from the end of the previous fiscal year to 709,186 thousand yen. The main decreasing factor was a decrease in income taxes payable (a decrease of 111,993 thousand yen from the end of the previous fiscal year). Non-current liabilities increased by 23 thousand yen from the end of the previous fiscal year to 31,982 thousand yen. As a result of the above, total liabilities amounted to 741,168 thousand yen (a decrease of 37,418 thousand yen from the end of the previous fiscal year).

(Net assets)

Net assets at the end of the nine months ended December 31, 2024 increased by 1,000,146 thousand yen from the end of the previous fiscal year to 5,291,495 thousand yen. The increase was mainly attributable to increases in share capital (an increase of 347,250 thousand yen from the end of the previous fiscal year) and capital surplus (an increase of 346,702 thousand yen) as a result of the issuance of shares and an increase in retained earnings (an increase of 287,610 thousand yen from the end of the previous fiscal year) as a result of the reporting of profit attributable to owners of parent.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

As for the financial results forecast, there is no change from the financial results forecast announced on May 15, 2024 in FY2023 Financial Results Briefing Materials at the moment.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	4,194,297	5,142,369
Accounts receivable - trade	171,524	172,871
Inventories	—	32,175
Prepaid expenses	39,842	79,012
Income taxes refund receivable	1,932	—
Other	11,858	39,637
Allowance for doubtful accounts	(8,272)	(7,130)
Total current assets	4,411,183	5,458,935
Non-current assets		
Property, plant and equipment		
Buildings, net	54,832	49,214
Tools, furniture and fixtures, net	13,119	12,175
Total property, plant and equipment	67,951	61,390
Intangible assets		
Goodwill	215,618	184,301
Customer-related intangible assets	103,197	88,693
Software	22,655	16,463
Total intangible assets	341,470	289,457
Investments and other assets		
Investment securities	15,141	15,818
Investments in capital	300	300
Leasehold and guarantee deposits	106,470	106,470
Deferred tax assets	115,881	96,473
Other	11,538	3,819
Total investments and other assets	249,331	222,881
Total non-current assets	658,753	573,728
Total assets	5,069,936	6,032,664

(Thousand yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	28,324	18,613
Accounts payable - other	82,060	101,727
Accrued expenses	59,578	47,768
Income taxes payable	216,811	104,818
Accrued consumption taxes	32,051	96,579
Contract liabilities	309,349	324,226
Deposits received	18,453	15,188
Other	—	264
Total current liabilities	746,629	709,186
Non-current liabilities		
Asset retirement obligations	31,958	31,982
Total non-current liabilities	31,958	31,982
Total liabilities	778,587	741,168
Net assets		
Shareholders' equity		
Share capital	535,051	882,301
Capital surplus	523,665	870,368
Retained earnings	3,338,996	3,626,607
Treasury shares	(108,230)	(89,630)
Total shareholders' equity	4,289,482	5,289,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,379	1,849
Total accumulated other comprehensive income	1,379	1,849
Share acquisition rights	486	—
Total net assets	4,291,348	5,291,495
Total liabilities and net assets	5,069,936	6,032,664

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	2,654,971	2,922,501
Cost of sales	432,678	489,590
Gross profit	2,222,293	2,432,911
Selling, general and administrative expenses	1,460,911	1,592,325
Operating profit	761,382	840,585
Non-operating income		
Interest income	19	380
Dividend income	6	6
Settlement income	—	1,500
Other	—	55
Total non-operating income	25	1,942
Non-operating expenses		
Share issuance costs	—	10,568
Settlement payments	900	3,770
Foreign exchange losses	201	—
Total non-operating expenses	1,101	14,338
Ordinary profit	760,306	828,189
Extraordinary income		
Gain on reversal of share acquisition rights	8	86
Total extraordinary income	8	86
Profit before income taxes	760,314	828,275
Income taxes - current	226,526	253,422
Income taxes - deferred	15,159	19,200
Total income taxes	241,686	272,623
Profit	518,628	555,652
Profit attributable to owners of parent	518,628	555,652

Quarterly Consolidated Statements of Comprehensive Income
 Nine Months Ended December 31

(Thousand yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	518,628	555,652
Other comprehensive income		
Valuation difference on available-for-sale securities	715	469
Total other comprehensive income	715	469
Comprehensive income	519,343	556,122
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	519,343	556,122
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes when there are significant changes in amounts of equity)

The Company resolved, at the meeting of the Board of Directors held on December 11, 2024, to issue new shares through public offering and completed the process on December 26, 2024. Consequently, the share capital and capital surplus each increased by 320,290 thousand yen. As a result, the share capital was 882,301 thousand yen and capital surplus was 870,368 thousand yen at the end of the nine months ended December 31, 2024.

(Segment information, etc.)

[Segment information]

I For the nine months ended December 31, 2023

1. Information on net sales and profit or loss by reportable segment and disaggregation of revenue

(Thousand yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Media platform	M&A services	Total		
Net sales					
Advertising and related services (Note 4)	1,934,116	—	1,934,116	—	1,934,116
Marketing services (Note 5)	44,247	—	44,247	—	44,247
Pay-for-performance services (Note 6)	148,651	130,471	279,122	—	279,122
Other (Note 7)	379,990	17,494	397,485	—	397,485
Revenue from contracts with customers	2,507,005	147,966	2,654,971	—	2,654,971
Net sales to external customers	2,507,005	147,966	2,654,971	—	2,654,971
Inter-segment sales or transfers	—	—	—	—	—
Total	2,507,005	147,966	2,654,971	—	2,654,971
Segment profit (loss)	760,682	(260)	760,421	960	761,382
Other items					
Depreciation (Note 3)	15,276	43	15,320	—	15,320
Amortization of goodwill (Note 3)	21,571	1,071	22,642	—	22,642

- Notes:
1. Adjustment for segment profit or loss refers to the elimination of inter-segment transactions.
 2. The total amount of segment profit or loss is adjusted with operating profit in the quarterly consolidated statements of income.
 3. Assets are not specifically allocated to reportable segments, but depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill are allocated.
 4. Advertising and related services primarily generate revenue from posting of recruitment ads and store property information, and services that enhance the effects of ads posted.
 5. Marketing services primarily generate revenue from Internet surveys on restaurants, and the distribution of e-mail newsletters to members of Inshokuten.com.
 6. Pay-for-performance services mainly comprise revenue from matching services in Inshokuten.com, revenue from opening fees in the food truck sharing and matching business and M&A Services business in subsidiaries.
 7. Other mainly comprises revenue from e-mail newsletter delivery services to job seekers, and monthly subscription services.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

(Significant change in amount of goodwill)

During the three months ended June 30, 2023, the “Media Platform business” segment acquired business from SHELFY Co., Ltd. The amount of goodwill generated by the acquisition is 172,570 thousand yen.

II For the nine months ended December 31, 2024

1. Information on net sales and profit or loss by reportable segment and disaggregation of revenue

(Thousand yen)

	Reportable segment			Adjustment (Note 1)	Amount recorded in the quarterly consolidated statements of income (Note 2)
	Media platform	M&A services	Total		
Net sales					
Advertising and related services (Note 4)	2,020,701	—	2,020,701	—	2,020,701
Marketing services (Note 5)	44,667	—	44,667	—	44,667
Pay-for-performance services (Note 6)	177,712	236,707	414,420	(6)	414,414
Other (Note 7)	417,542	25,176	442,718	—	442,718
Revenue from contracts with customers	2,660,623	261,884	2,922,507	(6)	2,922,501
Net sales to external customers	2,660,623	261,878	2,922,501	—	2,922,501
Inter-segment sales or transfers	—	6	6	(6)	—
Total	2,660,623	261,884	2,922,507	(6)	2,922,501
Segment profit	739,899	88,746	828,645	11,940	840,585
Other items					
Depreciation (Note 3)	28,193	313	28,507	—	28,507
Amortization of goodwill (Note 3)	29,939	1,377	31,317	—	31,317

- Notes:
1. Adjustment for segment profit refers to the elimination of inter-segment transactions.
 2. The total amount of segment profit is adjusted with operating profit in the quarterly consolidated statements of income.
 3. Assets are not specifically allocated to reportable segments, but depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill are allocated.
 4. Advertising and related services primarily generate revenue from posting of recruitment ads and store property information, and services that enhance the effects of ads posted.
 5. Marketing services primarily generate revenue from Internet surveys on restaurants, and the distribution of e-mail newsletters to members of Inshokuten.com.
 6. Pay-for-performance services mainly comprise revenue from matching services in Inshokuten.com, revenue from opening fees in the food truck sharing and matching business and M&A Services business in subsidiaries.
 7. Other mainly comprises revenue from e-mail newsletter delivery services to job seekers, monthly subscription services, and sale of goods.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

(Significant change in amount of goodwill)

During the six months ended September 30, 2024, tentative accounting performed in the previous fiscal year related to the acquisition of business from Life Lab Inc. on January 31, 2024 was finalized. The amount of goodwill generated by the acquisition in the “Media Platform Business” segment is 66,944 thousand yen.

(Notes on Statements of Cash Flows)

The quarterly consolidated statements of cash flows for the nine months ended December 31, 2024 have not been prepared. Depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the nine-month period ended December 31 are as follows.

	(Thousand yen)	
	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Depreciation	15,320	28,507
Amortization of goodwill	22,642	31,317

(Revenue recognition)

Disaggregation of revenue from contracts with customers is as presented in “Notes (Segment information, etc.).”

(Subsequent events)

The Company resolved, at a meeting of the Board of Directors held on February 14, 2025, the matters related to acquisition of its treasury shares pursuant to the provisions of Article 156 of the Companies Act of Japan, as applied by replacing the relevant terms and phrases pursuant to the provisions of Article 165, Paragraph 3 of the same Act.

1. Reason for acquisition of treasury shares

The Company will conduct the acquisition of treasury shares aiming to enhance shareholder return and improve capital efficiency and to enable execution of agile capital policies, and with the consideration of the current stock price trend.

2. Details of acquisition

- | | |
|--|---|
| (1) Class of shares to be acquired: | Common shares of the Company |
| (2) Total number of shares to be acquired: | Maximum 1,300,000 shares (4.49% of the total number of issued shares excluding treasury shares) |
| (3) Total amount of share acquisition costs: | Maximum 500 million yen |
| (4) Acquisition period: | From February 25, 2025 to April 30, 2025 |
| (5) Acquisition method: | Open market purchase |