

Introduction of Fall and Winter Products

● Kotetchan Beef Motsu-nabe Soup Series

You can enjoy beef motsu-nabe at home just by cooking the soup with Chinese chive and cabbage



Kotetchan Beef Motu-nabe Soup: Soy Sauce Flavored Soup

This product uses soy sauce made in Kyoushu (33% of soy source) and authentically brewed soy source, featuring seafood flavors such as Makurazaki dried bonito and Rijiiri kelp for a savory soup.



Kotetchan Beef Motu-nabe Soup: Miso Flavored Soup

This product uses three types of miso featuring Rijiiri kelp stock, sesame paste and sake lees as hidden flavor for a rich soup.



Kotetchan Beef Motu-nabe Soup: Hot Miso Flavored Soup

This product uses Korean gochujang and two types of miso for a hot but deep rich and savory soup.

● Shitagoshirae (Easy-to-Prepare) Series

This series of products are free from burdensome preparing at home.



Kotetchan Beef White Motsu

This product features beef motsu prepared with a Japanese-style broth using Rijiiri kelp and Makurazaki dried bonito. Best for soups, stews and stir-fry dishes.



Stringy Beef (With Seasoning)

This product features stringy beef (membranes) prepared with Japanese-style Rijiiri kelp and Makurazaki dried bonito. Best for stews, oden and curry.

● Microwave Cooking Series

This line of products comes in a microwave-safe container, eliminating the need for pots or dishes. The dishes can be served just by heating them in the microwave.



Beef Tongue Stew

This product features beef tongue and potato prepared in a demi-glace sauce with rich beef tallow and savory vegetable to create a stew with rich and deep flavor.



Kotetchan Beef Motsu Stew

This product features beef motsu, konnyaku and carrot to create a stew with rich, thick miso sauce.



Stringy Beef Stew

This product features stringy beef, konnyaku and vegetables to create a stew with tasty, sweet and salty flavor source.

Company Profile

Company Name: S Foods Inc.
(Listing exchange: 1st section of TokyoStock Exchange, Securities code 2292)

Founding: May 22,1967

Representative: Shinnosuke Murakami, President

Capital: 4,298,350,000 yen

Businesses: Wholesale meat business, products business, (Groups) retail & food service business

Investor Information

- **Business year:** March 1 to the last day of February of the next year
- **Date of record for distribution of year-end dividends:** Last day of February
- **Date of record for distribution of interim dividends:** August 31
- **Ordinary general meeting of shareholders:** May of every year
- **Administrator of shareholder list/ Management institution of special account:**
Sumitomo Mitsui Trust Bank, Limited
1-4-1 Marunouchi, Chiyoda-ku, Tokyo
- **Administrator of shareholder list**
Handling office: Sumitomo Mitsui Trust Bank, Limited,
Stock Transfer Agency Business Planning Dept.
4-5-33 Kitahama, Chuo-ku, Osaka
- Mail:** Sumitomo Mitsui Trust Bank, Limited,
Stock Transfer Agency Business Planning Dept.
2-8-4 Izumi, Suginami-ku, Tokyo 168-0063 Japan
- Phone:** ☎0120-782-031 (toll free)
- Website:** <https://www.smtb.jp/personal/agency/index.html>

(Notes)

[Inquiries relating to procedure for changes to shareholder's address, etc.]
Shareholders who hold an account with a securities company are requested to contact their securities company, since Sumitomo Mitsui Trust Bank, Limited is not able to handle this procedure. Those who do not hold an account with a securities company should contact the administrator at the above phone number.

[Dividends receivable]

- Please contact Sumitomo Mitsui Trust Bank, Limited, the administrator of the shareholder list.
- **Shares per sales Unit:** 100

[Change in Management institution of special account]

As of May 25, 2016, we changed the management institution of special account from Mitsubishi UFJ Trust and Banking Corporation to Sumitomo Mitsui Trust Bank, Limited.



SFoods News

Interim Annual Report for
the period ended August 31, 2018

March 1, 2018 to August 31, 2018



S Foods Inc. 1-22-13 Naruohama, Nishinomiya, Hyogo 663-8142

Phone: +81-798-43-1065

<http://www.sfoods.co.jp/english/>



Report on the Sales Process and Performance of Our Business Group

Shinnosuke Murakami
President

Our Management Environment

In the first six-month period of the year ending February 2019, the Japanese economy appeared to have been recovering in general with the steady corporate profits and the improving employment situation resulting from them. However, we are not allowed to be optimistic as there remains the risk of increasing cost of materials and personnel as well as the concern over global trade friction. The Japanese meat industry continues to be in a situation where business is difficult to continue under unstable global food supply-demand balance.

Under these circumstances, the S Foods Group aimed to stabilize its business operations and ensure growth by further promoting its basic strategy of vertical integration of its meat businesses from meat production, wholesale, production of meat products to retail and food service

General Sales Situation

In the meat processing and wholesale businesses, we continued our effort of improving management capacity in the meat production segment and building up closer connection between meat processing section and wholesale section. In the United States, we implemented measures to improve quality of "Aurora Angus Beef" which specializes in high-quality Angus beef; in Hokkaido, we worked on upgrading and expanding production base for "Yume-no-Daichi", our original pork brand. Also, proactive sales promotion of processed food was carried out including various campaigns to increase sales of "Kotetchan". We worked together with our manufacturing subsidiaries to mutually coordinate our processing functions and sales capabilities and developed business strategies in accordance with each sales channel. Construction of facilities in Funabashi aiming for strengthening sales capabilities in the Tokyo metropolitan area has been proceeding as planned.

In the meat retail business, we continued to implement event-based promotional sales and energize existing stores including changing store layouts, as well as revising work process for improving productivity and reorganizing staff assignment. Other measures such



Aurora Angus Beef



Yume-no-Daichi



Kotetchan Rich Miso Flavor

as renovating existing stores, closing unprofitable stores, opening new stores under the new developers and opening new stores of new categories were implemented.

In the meat foodservice business, we implemented measures for improving competitiveness such as creating new menus, reforming unprofitable stores and developing large-scale outlets jointly both at the steak restraint chain company and the barbecue and shabu-shabu restaurant chain company.

Business Performance

As a result, S Foods Inc. reported its consolidated business performance for the first six months of the year ending February 28, 2019 as follows: net sales of 167,277 million yen (up 8.0% year on year), operating income of 6,034 million yen (up 10.6% year on year), ordinary income of 6,267 million yen (up 8.0% year on year), and net income attributable to owners of the parent of 4,039 million yen (up 1.2% year on year).

Our business performance by segment is shown below. Net sales represent sales to external customers and segment profit is adjusted with operating income in the consolidated quarterly income statements.

① Food processing and wholesale meat businesses

We reported segment profit of 5,945 million yen (up 15.0% year on year) on net sales of 151,972 million yen (up 9.1% year on year).

② Meat retail business

We reported segment profit of 536 million yen (down 0.3% year on year) on net sales of 10,814 million yen (down 3.5% year on year).

③ Meat food service business

We reported segment profit of 134 million yen (down 47.9% year on year) on net sales of 3,769 million yen (up 0.0% year on year).

④ Other

We reported segment profit of 65 million yen (down 1.9% year on year) on sales of 721 million yen (up 5.6% year on year).

Business Results and Financial Position

Consolidated

Unit: Million yen

Item \ Term	The second quarter FY Aug. 2017	The second quarter FY Aug. 2018	FY Feb. 2018	FY Feb. 2019 projected
Sales	154,925	167,277	316,411	350,000
Income from operations	5,456	6,034	10,959	12,000
Pre-tax earnings	5,801	6,267	11,482	12,500
Net income attributable to owners of the parent	3,990	4,039	7,760	8,200
Total assets	151,276	170,924	156,649	—
Shareholder's equity	80,725	87,036	86,552	—

Dividends

(yen)

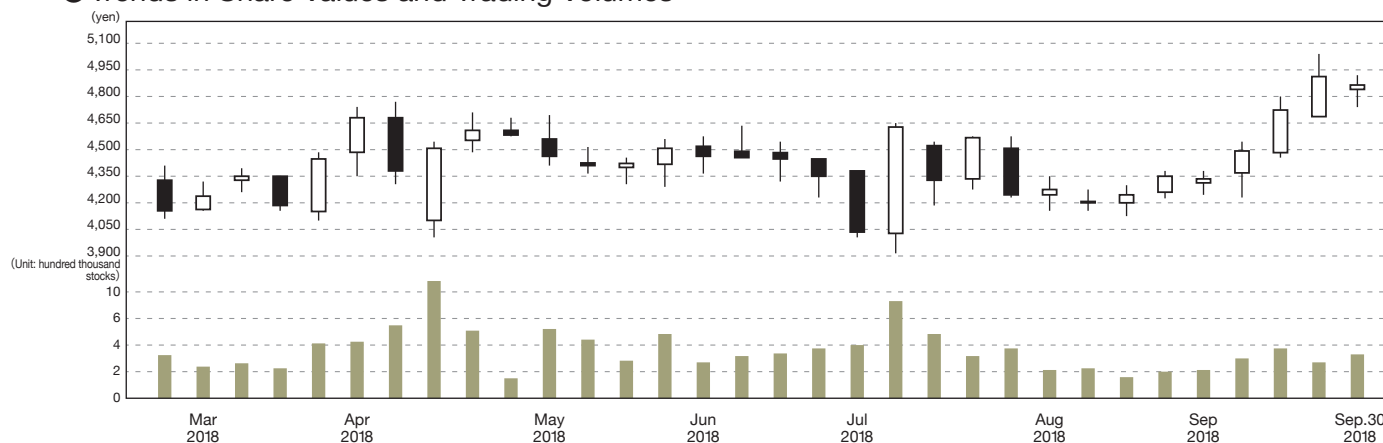
	FY Feb. 2016	FY Feb. 2017	FY Feb. 2018	FY Feb. 2019
Annual dividend per share	32	35	43	56*
(Interim dividend)	(16)	(17)	(19)	(28)
(Year-end dividend)	(16)	(18)	(24)	(28)*

Note: Figures with * are projections.

Share

Total shares authorized : 120,000,000
Total shares of common stock issued : 32,267,721
Shareholders : 4,217

Trends in Share Values and Trading Volumes



※TSE weekly chart