

Results Briefing Materials for the First Half of the Fiscal Year Ending December 31, 2024

Standard Market of the Tokyo Stock Exchange (Securities Code: 2932)



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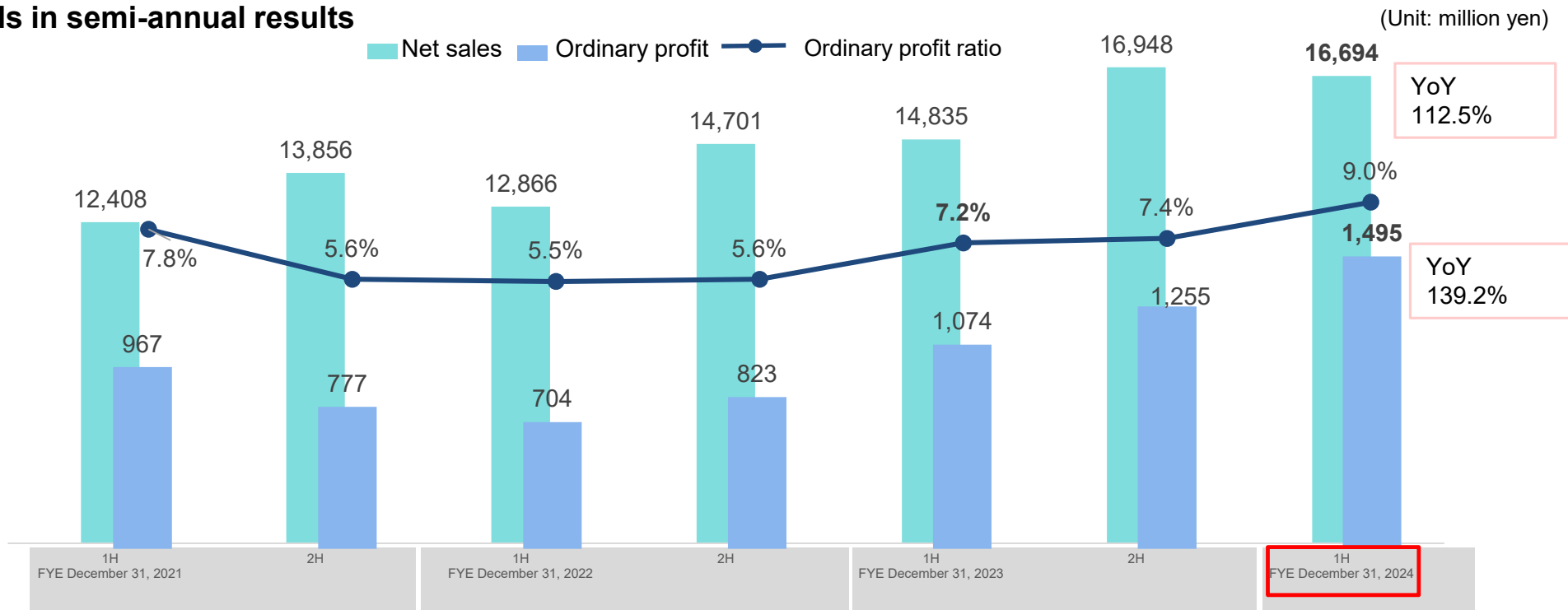
◆ August 8, 2024

Summary of Financial Results for the First Half of the Fiscal Year Ending December 31, 2024

Summary of Consolidated Financial Results

	Net sales	Ordinary profit	Ordinary profit ratio
1H FYE December 31, 2024 (January to June 2024)	16,694 million yen	1,495 million yen	9.0%
1H FYE December 31, 2023 (January to June 2023)	14,835 million yen	1,074 million yen	7.2%
1H FYE December 31, 2022 (January to June 2022)	12,866 million yen	704 million yen	5.5%

Trends in semi-annual results



Consolidated Statement of Income

(Unit: million yen)

	1H FYE December 31, 2023 (January to June 2023)		1H FYE December 31, 2024 (January to June 2024)		YoY	Change
	Results	vs. Net sales	Results	vs. Net sales		
Net sales	14,835	-	16,694	-	112.5%	1,859
Cost of sales	10,683	72.0%	11,810	70.7%	110.6%	1,127
Gross profit	4,152	28.0%	4,884	29.3%	117.6%	732
Selling, general and administrative expenses	3,116	21.0%	3,392	20.3%	108.8%	275
Operating profit	1,035	7.0%	1,491	8.9%	144.1%	456
Ordinary profit	1,074	7.2%	1,495	9.0%	139.2%	420
Profit attributable to owners of parent	687	4.6%	1,010	6.1%	146.9%	322
EPS (yen)	113.01	-	165.99	-	146.9%	

Consolidated Balance Sheet

	FYE 12/2023 Fiscal year- end	FYE 12/2024 End-1H	Ratio of increase/decr ease	(Unit: million yen) Change
Current assets	10,294	11,239	109.2%	944
Of which, cash and deposits	4,046	4,334	107.1%	288
Non-current assets	4,807	5,257	109.4%	449
Of which, property, plant and equipment	4,223	4,689	111.0%	465
Total assets	15,102	16,496	109.2%	1,394
Total liabilities	7,655	8,549	111.7%	894
Current liabilities	6,161	6,447	104.7%	286
Non-current liabilities	1,494	2,101	140.7%	607
Total net assets	7,446	7,946	106.7%	500
Total liabilities and net assets	15,102	16,496	109.2%	1,394

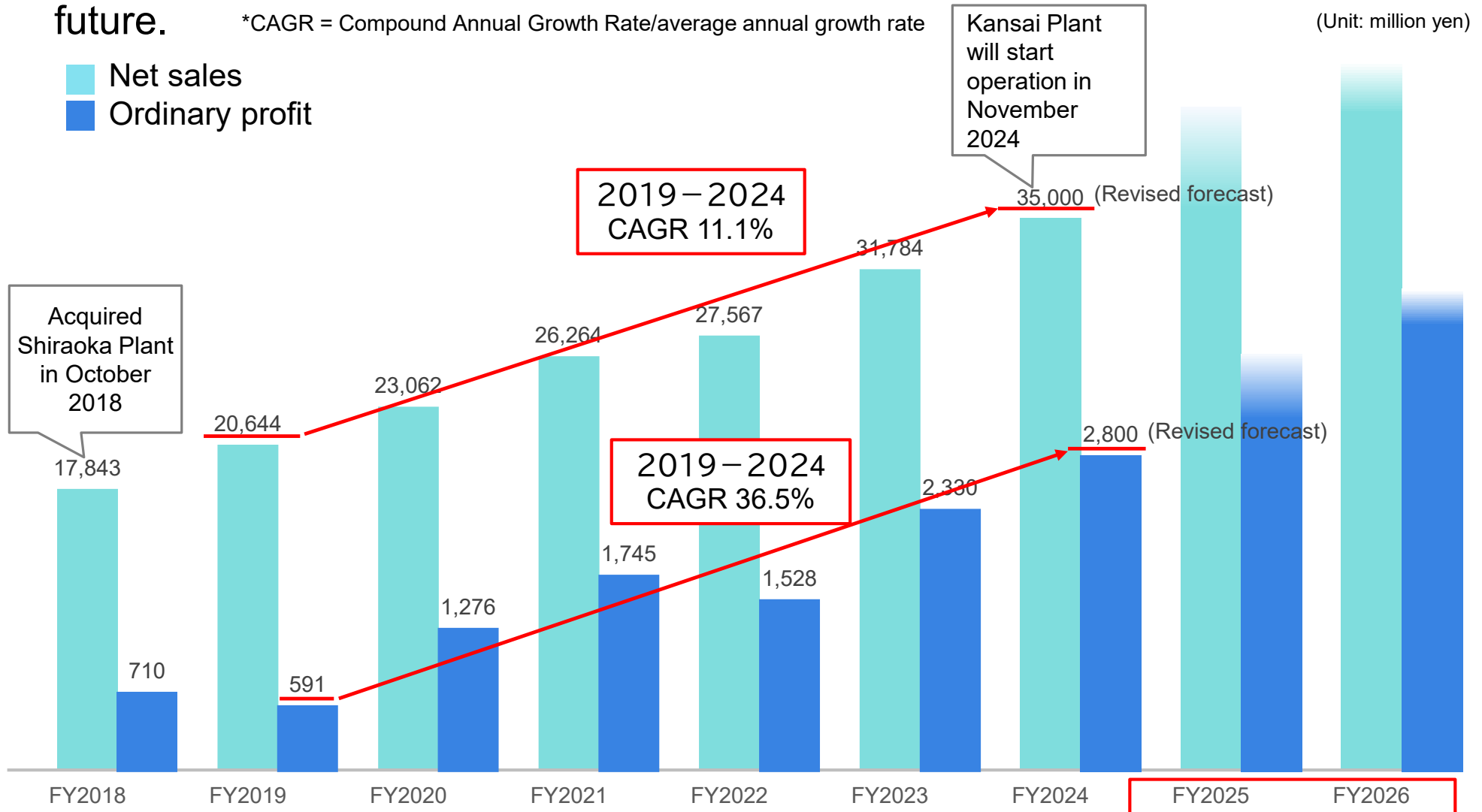
Shareholder's equity ratio: As of December 31, 2023: 49.3% As of June 30, 2024: 48.2%

Trends in Results So Far and Future Growth Prospects

- From 2019, the CAGR for net sales* has averaged 11.1% and the CAGR for ordinary profit is has averaged 36.5%, with plans to maintain similar growth in the future.

*CAGR = Compound Annual Growth Rate/average annual growth rate

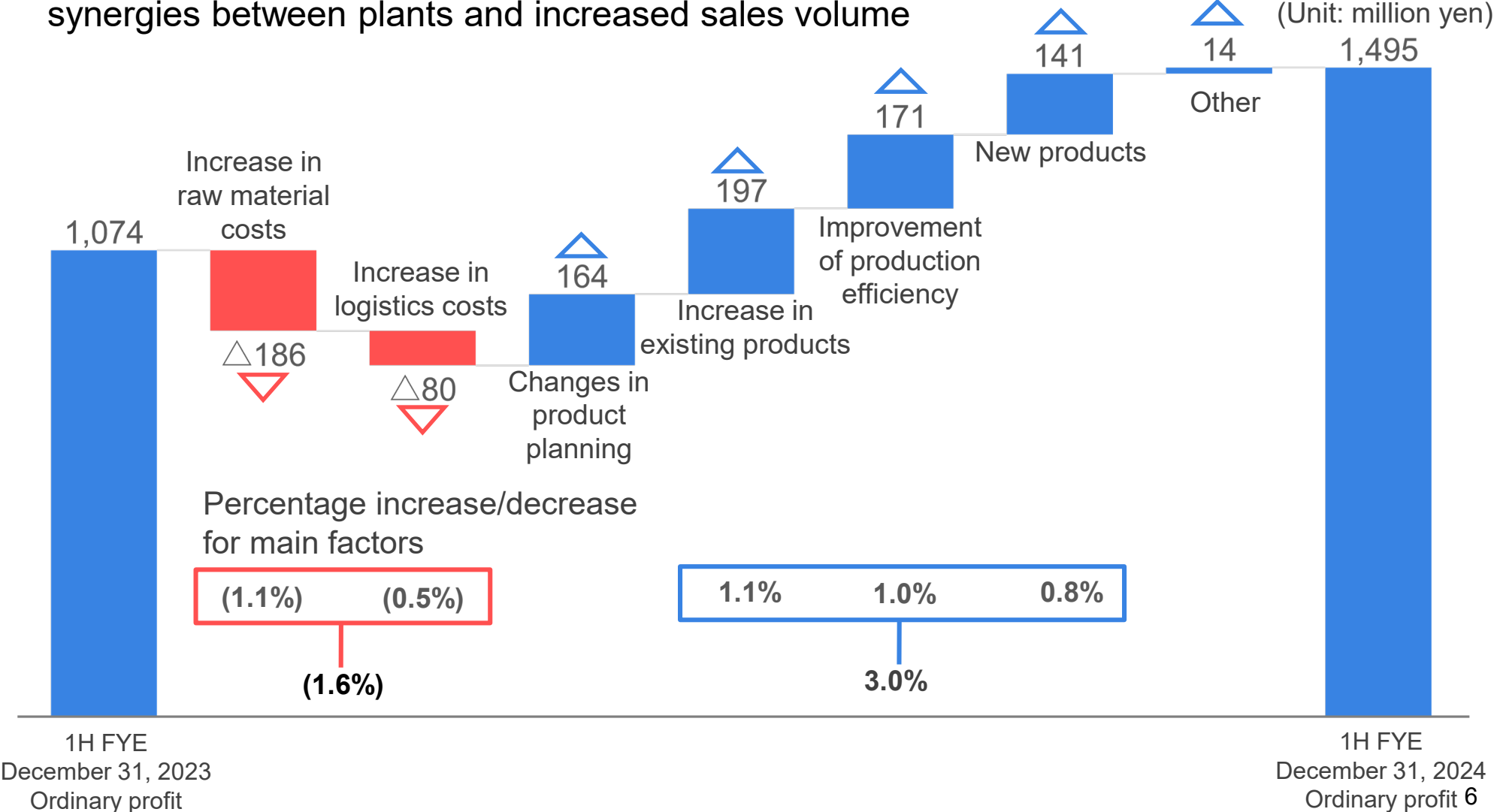
- Net sales
- Ordinary profit



Growth image

Analysis of Changes in Ordinary Profit

- Continued to use high-quality raw materials to provide the best products supported by consumers.
- Absorbed negative factors through improvements in production efficiency driven by synergies between plants and increased sales volume



Priority Measures and Strategies

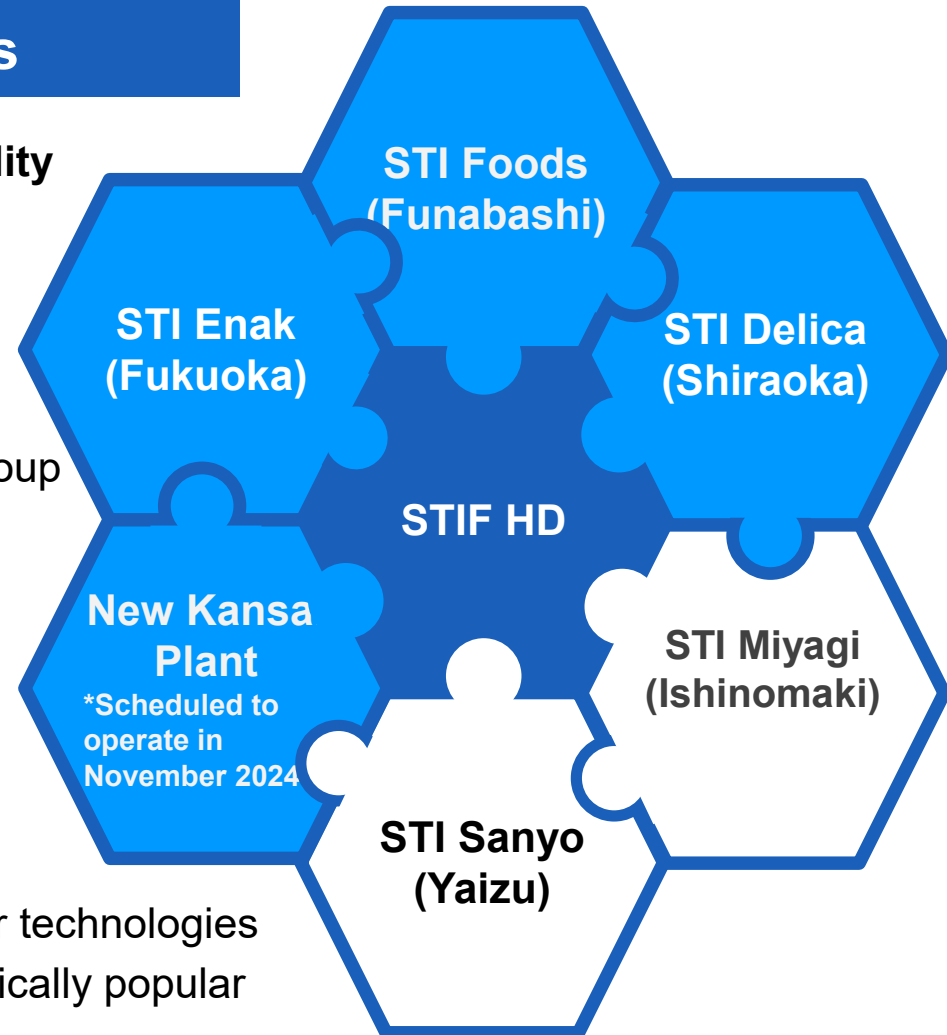
Creation of production processes and technologies through Group synergies

Achieving both good taste and economic rationality

- No compromise on quality of raw materials
(No specification downgrades)
- Optimization of production through multiple sites
Selection and concentration of production products
- Creation of added value through **crossover** of Group companies' technologies



- Creation of new product groups through crossover technologies
- Development of global products based on domestically popular products



Priority Measures

- Preparations for the new Kansai Plant are well underway for operation in November 2024 (actual image)



↓ Renovation work in progress



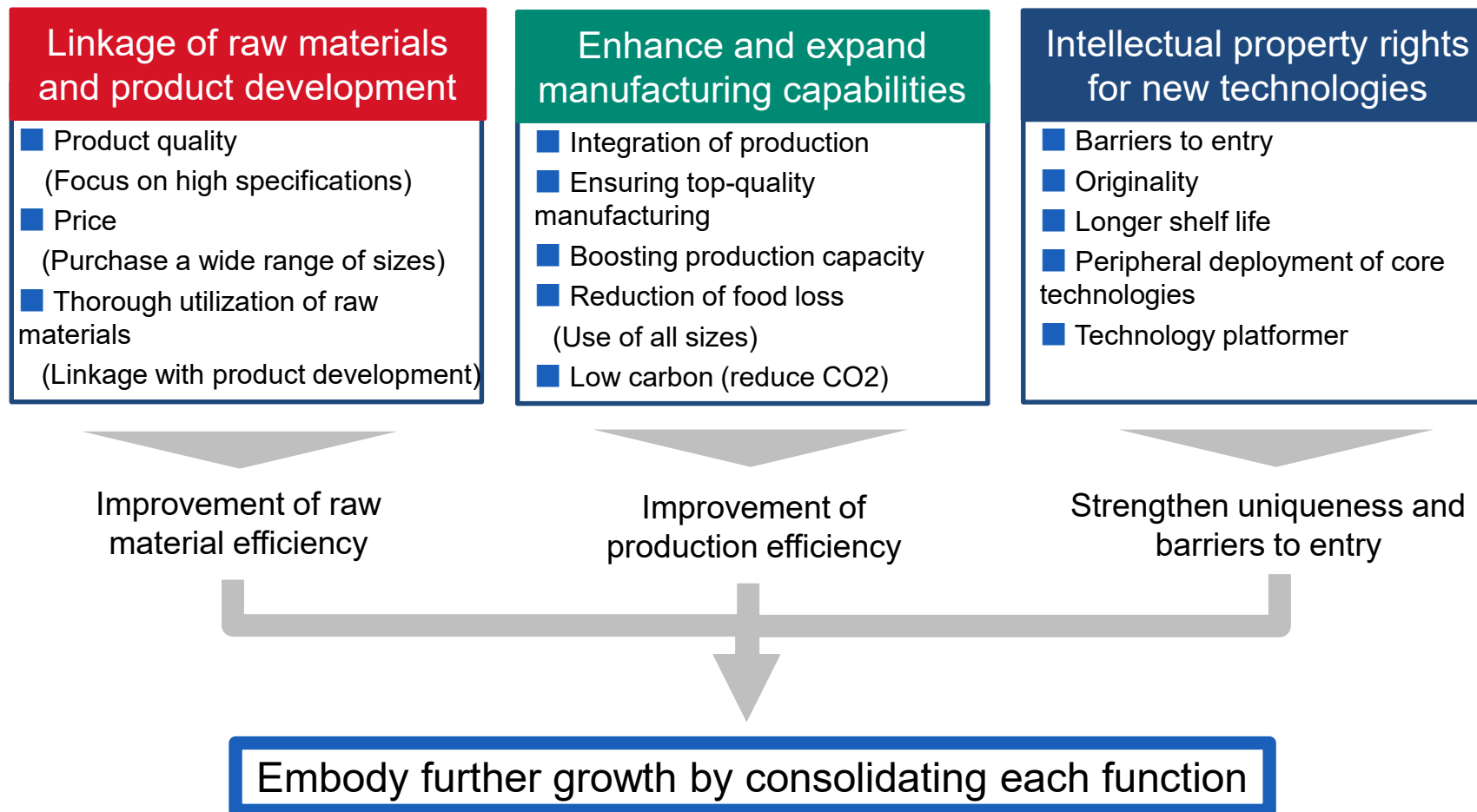
Priority Measures



*New Kansai Plant completion rendering

Priority Measures (Continued)

- Creating a stronger corporate group by pursuing contributions to business through functions related to raw materials, development, production, and intellectual property



- Development of global products based on domestically popular products

Revision of Earnings Forecast

Revision of Full-year Earnings Forecast for the Fiscal Year Ending December 31, 2024

- Revised earnings forecast based on better-than-expected performance in the first half of the year and steady growth in both sales and profits in the second half of the year.

	FYE 2024/12 initial forecast		FYE 2024/12 revised forecast		Revised ratio
	Earnings forecast	vs. Net sales	Earnings forecast	vs. Net sales	
Net sales	34,000	-	35,000	-	102.9%
Operating profit	2,400	7.1%	2,800	8.0%	116.7%
Ordinary profit	2,400	7.1%	2,800	8.0%	116.7%
Profit attributable to owners of parent	1,600	4.7%	1,800	5.1%	112.5%
EPS (yen)	269.98	-	303.74	-	112.5%

Shareholder Return Policy

Shareholder Return Policy

- Decided to pay an **interim dividend of 40 yen** for FYE 2024/12 and revised the **year-end dividend forecast** from **50 yen to 70 yen**, increasing the **annual dividend per share** from **90 yen to 110 yen**.

[Dividends]	FYE 12/2022 results	FYE 12/2023 results	FYE 12/2024 forecast
Annual dividend per share	55 yen	90 yen (Common dividend of 70 yen) (Commemorative dividend of 20 yen)	110 yen (Interim dividends of 40 yen) (Year-end dividend of 70 yen)

- Shareholder benefits will **change to once a year** only at the end of the fiscal year in accordance with the start of interim dividends.

[Shareholder benefit program]

One time on the last day of December every year, shareholders who own at least one unit (100 shares) will receive the Company's products exclusively for shareholders.

*Shareholders who hold 100 shares or more as recorded in the Company shareholder's register as of the end of December, and have held them for one year or longer are entitled to receive this benefit.



Appendix











Company Profile / Business Description

Company profile

Name of company	STI Foods Holdings, Inc.	Establishment	November 2017 (founded in December 1988)
Headquarters	1-15-14, Minami Aoyama, Minato-ku, Tokyo	Number of employees	269 (including 949 temporary employees) *As of the end of December 2023, the number of temporary employees is the number of people working a full-time equivalent of eight hours per day.
Representative	Yutaka Jumi, President and Representative Director	Listing date	September 25, 2020 (Standard Market of the Tokyo Stock Exchange)

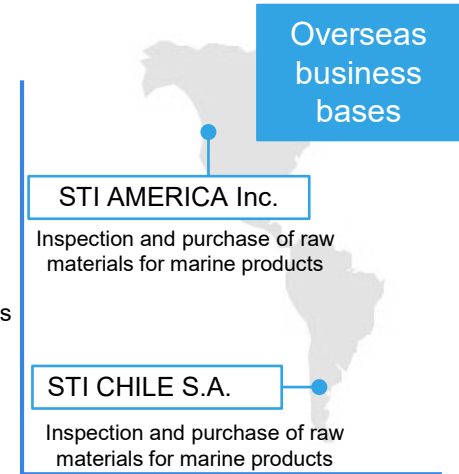
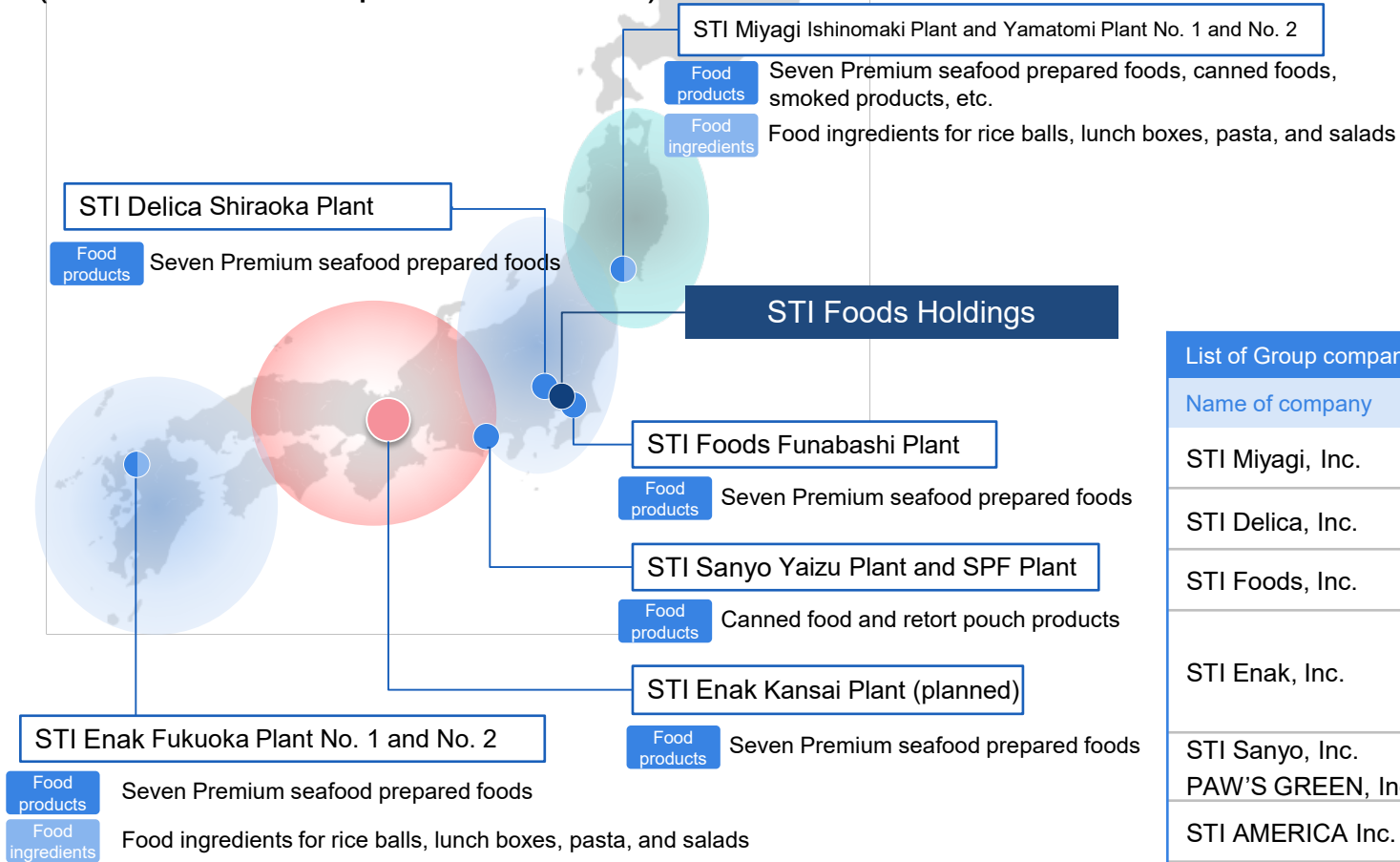
Business description

The Group is engaged in the food manufacturing and sales business, which includes everything from the procurement of raw materials for marine products to manufacturing and sales.

Product category	Description of major operations	Company	Examples of manufactured products
Foods	Manufacturing and sales of prepared marine products mainly for convenience stores, and manufacturing and sales of canned food and retort pouch products using marine raw materials, etc.	The Company STI Foods STI Delica STI Enak STI Miyagi STI Sanyo STI AMERICA Inc. STI CHILE S.A.	     
Food ingredients	Manufacturing and sales of marine products mainly used in rice balls, lunch boxes, pasta, salads for convenience stores to daily prepared foods manufacturers through food ingredients trading companies	The Company STI Enak STI Miyagi STI AMERICA Inc. STI CHILE S.A.	   

Group and Production Bases

- The Group is formed of STI Foods Holdings, six consolidated subsidiaries, one sub-subsidiary and one non-consolidated subsidiary.
- Each plant has its own specialties and products, and by combining them, the manufacturing system can handle any of the three temperature ranges (chilled, room temperature, frozen).

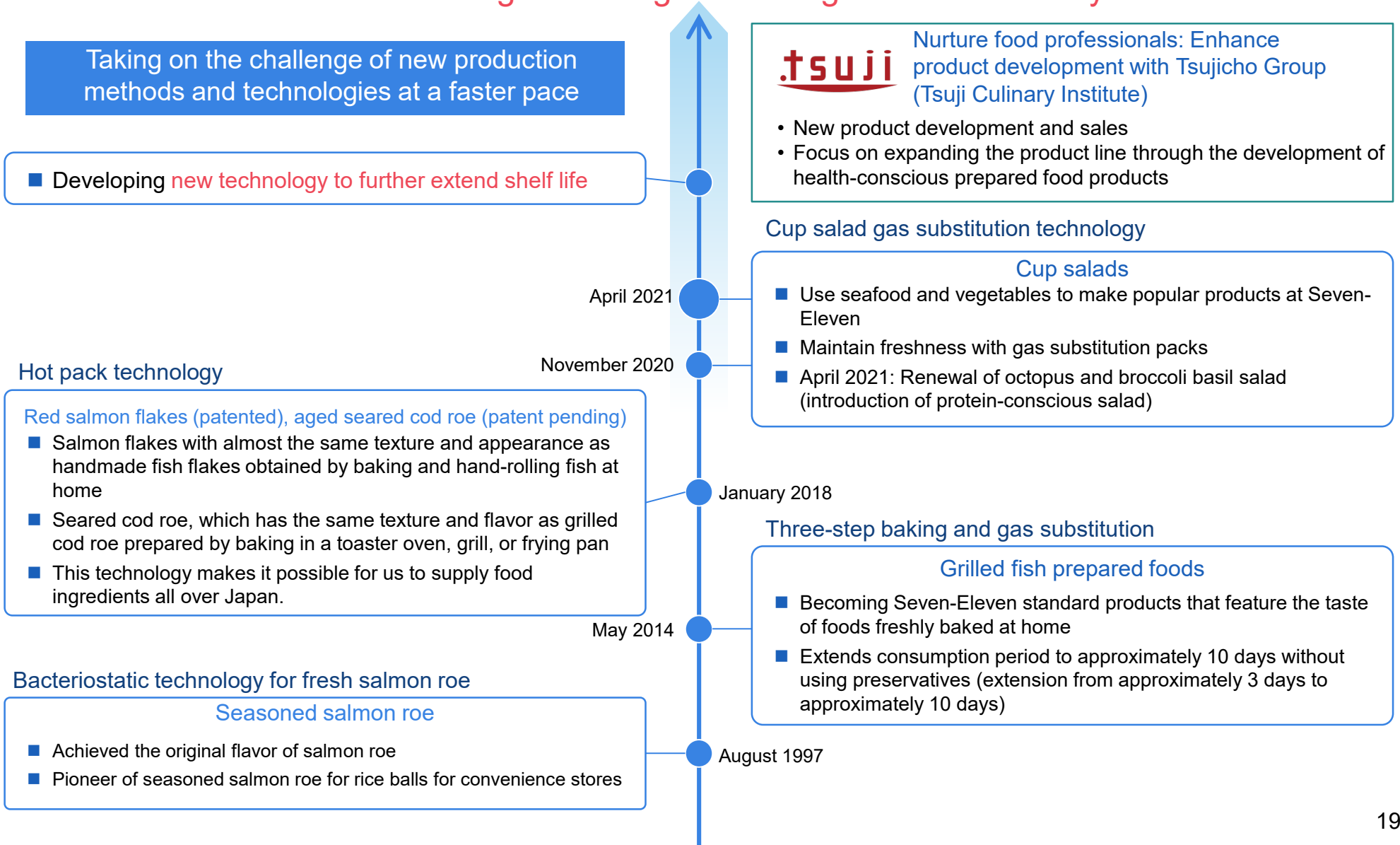


List of Group companies	
Name of company	Location
STI Miyagi, Inc.	(Production plant) Ishinomaki City, Miyagi Prefecture
STI Delica, Inc.	(Production plant) Shiraoka City, Saitama Prefecture
STI Foods, Inc.	(Production plant) Funabashi City, Chiba Prefecture
STI Enak, Inc.	(Production plant) Itoshima City, Fukuoka Prefecture (Production plant) Izumisano City, Osaka Prefecture
STI Sanyo, Inc. PAW'S GREEN, Inc.	(Production plant) Yaizu City, Shizuoka Prefecture
STI AMERICA Inc.	(Headquarters) Washington State, US
STI CHILE S.A.*	(Headquarters) Los Lagos Region, Chile

*: Non-consolidated subsidiary

Strengths of the Business: Manufacturing Technologies and Patents

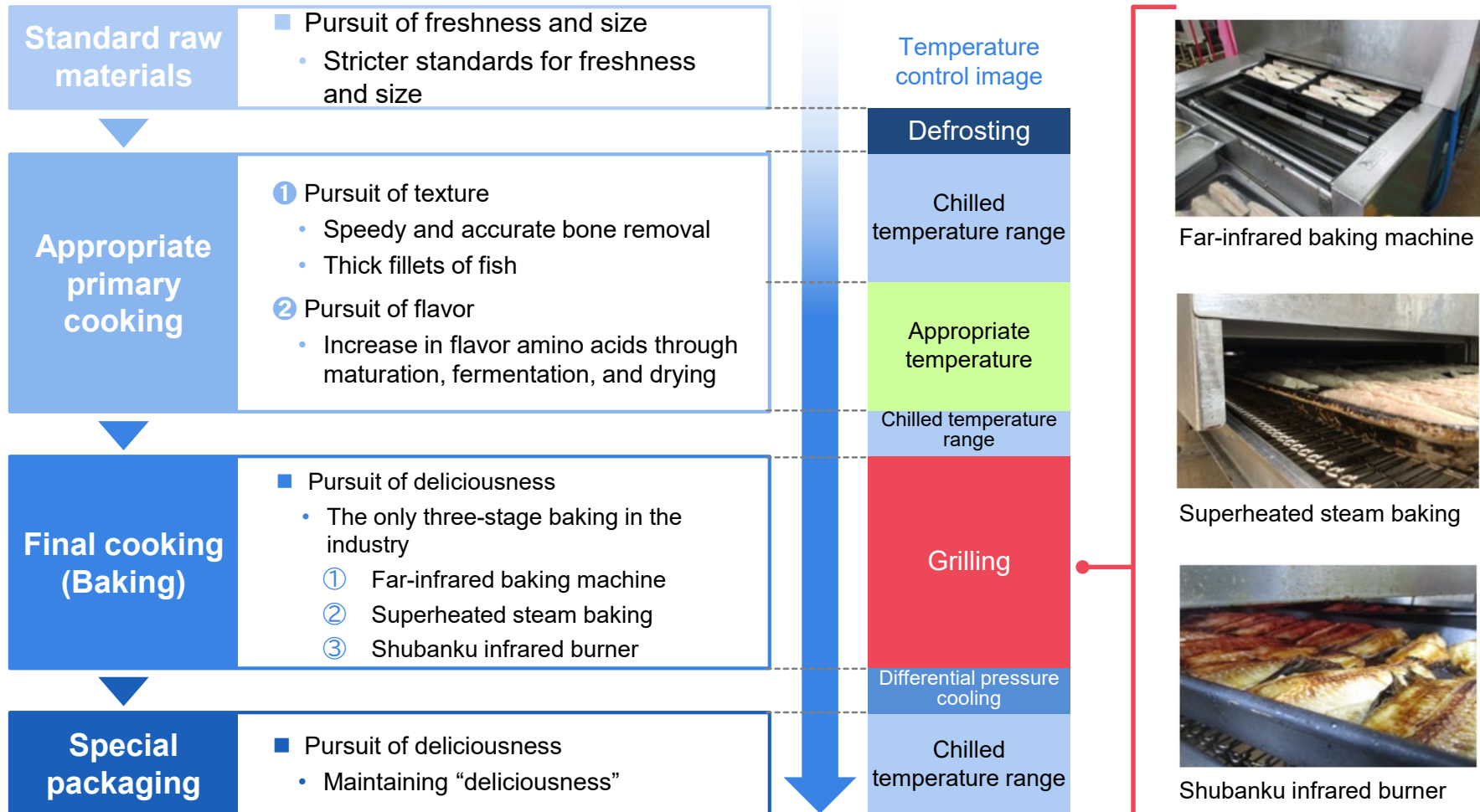
Researching and developing new manufacturing methods and unique marine food products that do not exist in the world **using technologies with high barriers to entry**



Strengths of the Business: Improvement of Taste Quality through Integrated Production

- **Thorough temperature control and reduction in the number of thawing cycles** in the integrated production (cooking) process **to improve the quality of taste**

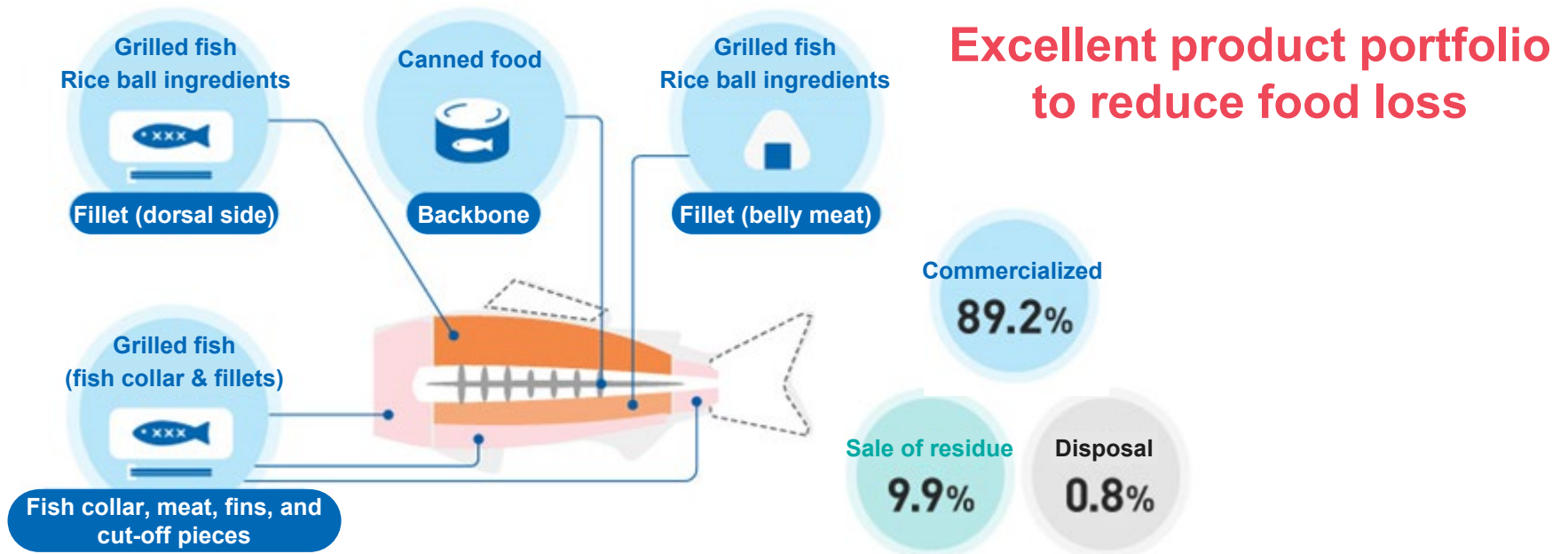
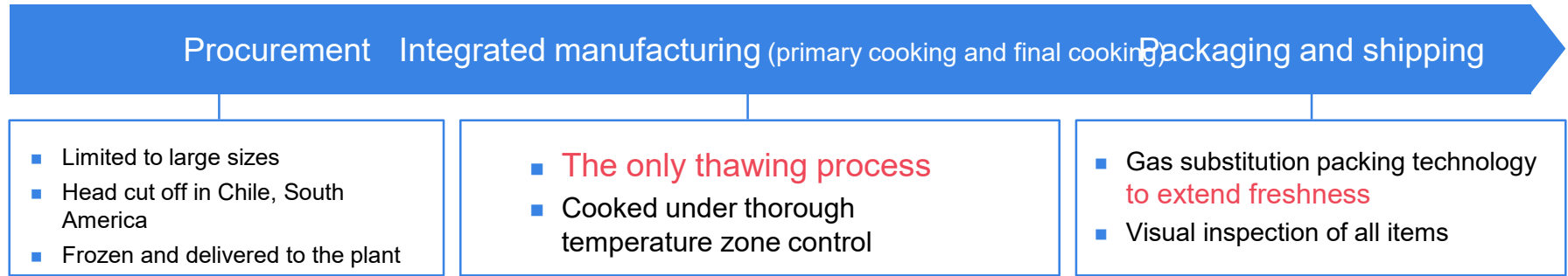
Manufacturing process for grilled fish prepared foods



Strengths of the Business: Balancing Food Loss and Cost Reduction


















- Reduce raw material costs **by thoroughly addressing food loss** with a product portfolio that uses up all ingredients.

■ Integrated production system that achieves both deliciousness and reduced raw material costs



SUSTAINABLE DEVELOPMENT GOALS

We will reduce the burden on the environment and society in all parts of the value chain, from procurement, processing, distribution, consumption, and disposal, and work to solve social issues through business.

Social issues	Initiatives	Targets
Responsibility to deliver the blessings of the sea	Procurement of sustainable raw materials Investment in land-based aquaculture	  
Mission as a food manufacturer	Reduction of food loss and food waste	  
Eco-friendly business activities	Reduction of greenhouse gas emissions	   
Disaster-stricken area recovery support	Supporting sustainable growth of local fisheries	   
Respecting human rights	Formulation of Group Human Rights Policy	  

SDGs Initiative: Promoting the Sale of Miyagi Prefecture Suisan High School's Kinka Canned Mackerel

Supporting recovery efforts in collaboration with local high school students in Ishinomaki, Miyagi Prefecture, which was severely affected by the Great East Japan Earthquake

2022 - 2023 Project

In Japan's fisheries industry, there is a serious shortage of new workers. Miyagi Prefecture Suisan High School is addressing various industry challenges with a focus on training this next generation, while STI Miyagi is promoting the charm of Ishinomaki through food. Together, they launched a project in May 2022 to help revitalize the Ishinomaki area.

After a year of preparation, they co-developed a product called Kinka Canned Mackerel with an "All Miyagi" theme. It features prefecture-sourced ingredients, from the Kinka mackerel to the water, salt, and miso used in the product. Even the cans are local. The product was launched in the Tohoku region in February 2023.



2023 - 2024 Project

Since the canning manufacturing equipment at Suisan High School was out of service making it difficult to conduct training at the high school, we loaned some of STI Miyagi plant equipment.

We had all the students manufacture "canned seasoned saury" using the actual equipment used at the plant.



11 住み続けられるまちづくりを 	12 つくる責任つかう責任 	14 海の豊かさを守ろう 	17 パートナーシップで目標を達成しよう
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STI Foods Holdings Group understands and supports the minimum principles and standards that should be adhered to as outlined in the United Nations International Bill of Human Rights and the ILO's Declaration on Fundamental Principles and Rights at Work.

We conduct our business in accordance with the principles and standards of the United Nations Guiding Principles on Business and Human Rights, and the National Action Plan on Business and Human Rights (2020-2025) set forth by the Japanese government.

Group Human Rights Policy

STI Foods Holdings Group (below “we”) conducts our business activities utilizing domestic and international food resources to contribute to a more prosperous future for society. We do this with the support of all our stakeholders, including customers, suppliers, shareholders, communities, and employees.

The foundation of all our business activities lies in people and society.

We recognize the human rights of all people and, in fulfilling our responsibility to respect those rights, we have established our STI Foods Holdings Group Human Rights Policy.

This policy serves as the foundation for all STI Foods Holdings Group business activities and embodies our corporate motto of “fairness and honesty.”

In implementing this policy, we will collaborate with all of our stakeholders to co-create a sustainable society where human rights are respected.

* See our corporate site for details (available in Japanese only).
<https://www.stifoods-hd.com/ja/news.html>



[Precaution]

The forward-looking statements contained in this document are based on management's assumptions and beliefs in light of the information currently available, and are subject to change due to macroeconomic conditions and industry trends. Accordingly, please be aware that there are risks and uncertainties that could cause actual results to differ materially from those discussed in the forward-looking statements.



STI Foods Holdings, Inc.