



## Consolidated Financial Results for the First Half of FY2023 [J-GAAP]

November 4, 2022

Listed company name: **NIPPON CORPORATION**  
 Listing: The Prime Market of Tokyo Stock Exchange  
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 Filing date of quarterly financial report: November 7, 2022  
 Start of cash dividend payments: December 5, 2022  
 Supplementary quarterly materials prepared: Yes  
 Quarterly results information meeting held: Yes (for institutional investors and analysts)

\*Amounts less than one million yen have been rounded down.

### 1. Consolidated financial results for the first half of FY2023 (From April 1, 2022 to September 30, 2022)

#### (1) Consolidated operating results (cumulative)

(Millions of yen, percentage figures show the rate of change from the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change
First half of FY2023	176,488	12.0%	5,829	(0.7)%	7,211	(2.0)%	4,963	(5.2)%
First half of FY2022	157,535	11.9%	5,869	40.0%	7,362	43.1%	5,235	47.9%

(Note) Comprehensive income: First half of FY2023: ¥7,725 million (26.8%)  
 First half of FY2022: ¥6,090 million (4.0%)

	Profit per Share (Yen)	Fully Diluted Profit per Share (Yen)
First half of FY2023	64.17	56.00
First half of FY2022	68.27	59.53

#### (2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
First half of FY2023	330,980	184,384	54.5%
FY2022	325,869	178,697	53.4%

(Reference) Equity capital: First half of FY2023: ¥180,548 million  
 FY2022: ¥174,120 million

### 2. Dividends

	Dividends per Share (Yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Full Year
FY2022	—	18.00	—	20.00	38.00
FY2023	—	19.00			
FY2023 (Forecast)			—	19.00	38.00

(Note) Adjustment for the most recent forecast of the dividends in the current term: None

### 3. Forecast of the consolidated financial results for FY2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen, percentage figures show the rates of changes from the same period of the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent		Profit per Share (Yen)
	Amount	% Change	Amount	% Change	Amount	% Change	Amount	% Change	
Full year	355,000	10.5%	10,100	(10.5)%	12,200	(14.5)%	8,300	(11.0)%	108.13

(Note) Adjustment for the most recent forecast of the consolidated financial results in the current term: None

\* Notes

(1) Significant changes in subsidiaries during the current quarter (changes in specified subsidiaries in accordance with changes in the scope of consolidation): None

(2) Adoption of special accounting methods for preparation of quarterly consolidated financial information: None

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

1) Changes in accounting policies due to revisions of accounting standards: Yes

2) Changes other than 1): None

3) Changes in accounting estimates: None

4) Retrospective restatements: None

(Note) For details, please refer to “2. Quarterly Consolidated Financial Statements (4) Notes on quarterly consolidated financial information (Changes in accounting policies)” on page 13.

(4) Number of shares issued and outstanding (common stock)

1) Number of shares outstanding at the end of each period (including treasury shares):	First half of FY2023	78,824,009 shares	FY2022	78,824,009 shares
2) Number of treasury shares at the end of each period:	First half of FY2023	860,138 shares	FY2022	2,021,404 shares
3) Average number of shares (quarterly consolidated cumulative period):	First half of FY2023	77,343,245 shares	First half of FY2022	76,695,605 shares

\* These consolidated financial results are outside the scope of quarterly review procedures by certified public accountants or an audit corporation.

\* Explanation regarding the appropriate use of projected financial results and other special instructions

Descriptions regarding the future, including the financial outlook contained in this material, are based on certain information currently available to the Company and particular assumptions, which are, at the discretion of the Company, deemed reasonable, and actual financial results may significantly vary due to various factors. Please refer to “1. Qualitative Information on Quarterly Consolidated Financial Results, (3) Information on forecast of the consolidated financial results” on page 6 for information on preconditions underlying the above outlook and other related information.

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## 1. Qualitative Information on Quarterly Consolidated Financial Results

### (1) Overview of business results

(Millions of yen)

	First six months of Fiscal 2022	First six months of Fiscal 2023	Difference	Change
Net sales	157,535	176,488	18,953	112.0%
Operating income	5,869	5,829	(39)	99.3%
Ordinary income	7,362	7,211	(150)	98.0%
Profit attributable to owners of parent	5,235	4,963	(272)	94.8%

During the first half of the fiscal year ending March 31, 2023, consumption behaviors changed by the spread of COVID-19 generally trended toward normalization. However, amid soaring raw materials prices and energy costs caused by the Russo-Ukraine situation, the rapid depreciation of the yen, extreme weather conditions worldwide, and other factors, rising prices are resulting in heightened concerns of an economic recession, and the outlook remains uncertain.

In the food industry, following the drop in demand in the restaurant sector and other sectors due to the COVID-19 pandemic, demand has begun to recover, but manufacturing and transportation costs remain high due to soaring raw materials prices and energy costs, and the impact on the business environment is unpredictable.

In these circumstances, the Group aims to achieve sustainable growth by expanding its business fields through greater emphasis on healthcare and global businesses and new businesses, in addition to reinforcing the mainstay flour milling, food, and other businesses. To this end, we are working with our customers, employees, shareholders, society, and other stakeholders to create future-focused value under our management philosophy of “contributing to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people.” We are reinforcing existing businesses and vigorously investing in promising fields in an effort to strengthen the business foundation even in an unpredictable business environment with the aim of achieving growth to the scale of net sales of ¥500 billion and operating income of ¥25 billion as envisaged in our long-term vision.

To establish our position as a comprehensive food company, we are working to strengthen the business foundation by promoting structural reform of existing businesses and continued development of growth drivers, while optimally allocating management resources to create new businesses. In addition, by promoting ESG management to reinforce the foundation for sustainable growth, we aim to achieve ¥400 billion in net sales and ¥15 billion in operating income by fiscal 2027 as a milestone on the path toward realization of our long-term vision.

Consolidated net sales for the first half of fiscal 2023 increased by 12.0% year on year to ¥176,488 million, reflecting a recovery in demand following the relaxation of restrictions on activities, which had been imposed due to the COVID-19 pandemic, and the implementation of sales price revisions in response to rising wheat market prices and raw materials prices. In terms of profit, despite an increase in shipments due to a recovery in demand, raw materials prices and energy costs rose more than expected, and strategic costs for sales expansion increased. As a result, operating income decreased by 0.7% to ¥5,829 million, ordinary income decreased by 2.0% to ¥7,211 million, and profit attributable to owners of parent decreased by 5.2% to ¥4,963 million.

The performance of individual business segments was as follows.

#### 1) Flour Milling

(Millions of yen)

	First six months of Fiscal 2022	First six months of Fiscal 2023	Difference	Change
Net sales	46,210	56,149	9,939	121.5%
Operating income	2,811	3,425	614	121.9%

The Group is strengthening quality control in response to the growing preoccupation with the safety and security of food throughout society. At the same time, to address customer needs and diversifying food preferences, the Group promoted sales initiatives with a view to resolving the issues that concern customers. We strove to strengthen initiatives in partnership with customers, and enhance sales capabilities and brand power, and promoted sales activities, so as not to miss any opportunity during the recovery in the aftermath of the COVID-19 pandemic.

As a result, in the Flour Milling business, sales of wheat flour and sales of wheat bran, a by-product, were higher than the levels for the same period of the previous year, mainly because of the revision of wheat flour sales prices and the recovery in demand.

In line with the increase of government sales prices (tax inclusive) of imported wheat by 17.3% on average for the five key products in April 2022, we revised the prices of wheat flour products for professional use from June 2022.

As a result, net sales for the Flour Milling segment increased by 21.5% year on year to ¥56,149 million, and operating income increased by 21.9% to ¥3,425 million.

## 2) Food

(Millions of yen)

	First six months of Fiscal 2022	First six months of Fiscal 2023	Difference	Change
Net sales	93,002	100,364	7,362	107.9%
Operating income	2,766	2,041	(725)	73.8%

In the professional-use category, demand showed a tendency to recover owing to the relaxation of the restrictions on activities and in reaction to the fact that the government requested large commercial facilities, restaurants, etc. to shorten opening hours in the previous year, and as a result, sales of products in this category were higher than the level for the same period of the previous year.

In the home-use product category, although demand for products for consumption at home associated with people refraining from going out ran its course, sales of products in this category were higher than the level for the same period of the previous year, owing to price revisions in January and February 2022 in line with increases in raw materials prices and other costs.

In the frozen foods category, in addition to strong shipments of commercial-use frozen foods reflecting the recovery in demand from the restaurant sector, demand for home-use frozen foods, such as the One Plate Meal series of complete meals consisting of a main dish and staples and the Imadoki Gohan series of rice dishes, was brisk. In addition, the revision of prices of home-use frozen foods in February 2022 also contributed to higher sales. As a result, sales of products in this category were higher than the level for the same period of the previous year.

In the ready-made meals business, sales were higher than the level for the same period of the previous year because demand is recovering in line with the relaxation of the restrictions on activities.

As a result, net sales of the Food segment increased by 7.9% year on year to ¥100,364 million, while operating income decreased by 26.2% to ¥2,041 million.

## 3) Other

(Millions of yen)

	First six months of Fiscal 2022	First six months of Fiscal 2023	Difference	Change
Net sales	18,323	19,975	1,651	109.0%
Operating income	283	333	49	117.5%

Sales of the pet food business were higher than the level for the same period of the previous year because of price revision and an increase in shipped volume of products whose unit prices are high.

Sales of the engineering business were lower than the level for the same period of the previous year, owing to a dip following the increase in inquiries for large projects in the previous year.

As a result, net sales for the Other segment increased by 9.0% year on year to ¥19,975 million, and operating income increased by 17.5% to ¥333 million.

## (2) Overview of financial position

### 1) Assets, liabilities and net assets

(Millions of yen)

	As of March 31, 2022	As of September 30, 2022	Difference
Current assets	130,768	135,384	4,615
Non-current assets	195,063	195,563	500
Deferred assets	37	32	(4)
Total assets	325,869	330,980	5,111
Current liabilities	74,842	75,340	497
Non-current liabilities	72,328	71,255	(1,072)
Total liabilities	147,171	146,596	(575)
Total net assets	178,697	184,384	5,686
Total liabilities and net assets	325,869	330,980	5,111

Total assets at the end of the first half of fiscal 2023 increased by ¥5,111 million from the previous fiscal year end (March 31, 2022) to ¥330,980 million. This was mainly because raw materials and supplies and merchandise and finished goods increased by ¥7,054 million and ¥2,422 million, respectively, and cash and deposits and property, plant and equipment decreased by ¥3,137 million and ¥1,194 million, respectively.

Total liabilities decreased by ¥575 million from the previous fiscal year end to ¥146,596 million. This was mainly because notes and accounts payable - trade increased by ¥1,585 million and loans payable decreased by ¥2,490 million.

Net assets increased by ¥5,686 million from the previous fiscal year end to ¥184,384 million. This was mainly attributable to increases of ¥3,405 million in retained earnings and ¥1,519 million in foreign currency translation adjustment and decreases of ¥1,629 million in capital surplus and ¥1,912 million in treasury shares.

### 2) Cash flows

(Millions of yen)

	First six months of Fiscal 2022	First six months of Fiscal 2023	Difference
Net cash provided by (used in) operating activities	3,258	3,620	362
Net cash provided by (used in) investing activities	(4,373)	(2,730)	1,642
Net cash provided by (used in) financing activities	(467)	(4,869)	(4,401)
Effect of exchange rate changes on cash and cash equivalents	119	520	401
Net increase (decrease) in cash and cash equivalents	(1,463)	(3,459)	(1,995)
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(1,908)	–	1,908
Cash and cash equivalents at end of period	31,936	27,756	(4,180)

The balance of cash and cash equivalents at the end of the first half of fiscal 2023 stood at ¥27,756 million, a decrease of ¥3,459 million compared with the end of the previous fiscal year. The conditions of cash flows were as follows:

(Operating activities)

Net cash provided by operating activities amounted to ¥3,620 million compared with ¥3,258 million for the same period of the previous year. This mainly reflected ¥7,200 million for profit before income taxes, ¥4,876 million for depreciation, ¥1,319 million for increase in notes and accounts payable - trade and ¥9,458 million for increase in inventories.

(Investing activities)

Net cash used in investing activities amounted to ¥2,730 million compared with ¥4,373 million for the same period of the previous year. The main factors were proceeds from sales of investment securities amounting to ¥1,333 million, purchase of investment securities amounting to ¥1,054 million and purchase of fixed assets amounting to ¥3,120 million.

(Financing activities)

Net cash used in financing activities amounted to ¥4,869 million compared with ¥467 million for the same period of the previous year. The main factors were repayments of loans payable amounting to ¥2,850 million and cash dividends paid amounting to ¥1,539 million.

### (3) Information on forecast of the consolidated financial results

The outlook for the Japanese economy is expected to remain extremely challenging, as soaring prices of raw materials and energy costs caused by the Russo-Ukraine situation, the rapid depreciation of the yen, extreme weather conditions worldwide, and other factors are becoming the norm while changes in consumption behavior in response to the COVID-19 pandemic are beginning to return to normal.

In these circumstances, under the management philosophy of “contributing to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people,” the Group aims to achieve growth to the scale of net sales of ¥500 billion and operating income of ¥25 billion as envisaged in our long-term vision by strengthening the revenue base while building up sales through organic growth, as well as enhancing inorganic growth. As a milestone on the path toward realization of our long-term vision, we aim to achieve ¥400 billion in net sales and ¥15 billion in operating income by fiscal 2027. To this end, we are further fleshing out the business strategy based on the management philosophy. At the same time, we are strengthening the foundation of existing businesses and increasing production capacity to respond to diverse lifestyles and continuing vigorous investment of management resources in growth areas while leveraging the Group’s strengths. Furthermore, as a resilient company that practices ESG management, we are making a Group-wide effort to realize a “better society,” together with our partners in Japan and overseas.

The consolidated business results for the first half of the fiscal year ending March 31, 2023, exceeded the forecast, because of a recovery in demand surpassing expectations and other factors. With regard to business results for the third quarter of the current fiscal year onward, however, geopolitical risks and the impact of high raw materials prices and energy costs caused by the rapid depreciation of the yen and other factors are expected to continue for the time being. Therefore, the forecasts of consolidated business results for the full year of fiscal 2023 announced on May 13, 2022, are unchanged. If changes in circumstances necessitate a revision of the forecasts of consolidated business results, we will promptly announce such revision.

With regard to dividends, our target payout ratio is 30% or more and the Company plans to pay total cash dividends of ¥38 per share for the full year ending March 31, 2023, unchanged from the forecast.

## 2. Quarterly Consolidated Financial Statements

## (1) Quarterly consolidated balance sheets

(Millions of yen)

	FY2022 (As of March 31, 2022)	First half of FY2023 (As of September 30, 2022)
<b>Assets</b>		
Current assets		
Cash and deposits	34,063	30,926
Notes and accounts receivable - trade and contract assets	50,466	50,046
Merchandise and finished goods	18,484	20,905
Work in process	57	204
Raw materials and supplies	21,348	28,402
Other current assets	6,407	4,958
Allowance for doubtful accounts	(59)	(60)
Total current assets	130,768	135,384
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	48,582	47,843
Machinery, equipment and vehicles, net	22,492	22,033
Land	41,453	41,111
Construction in progress	471	734
Other, net	2,611	2,696
Total property, plant and equipment	115,611	114,417
Intangible assets		
Goodwill	1,404	1,288
Other	1,124	1,059
Total intangible assets	2,529	2,347
Investments and other assets		
Investment securities	69,001	70,780
Other assets	8,307	8,386
Allowance for doubtful accounts	(385)	(368)
Total investments and other assets	76,922	78,798
Total non-current assets	195,063	195,563
Deferred assets	37	32
Total assets	325,869	330,980



(Millions of yen)

	FY2022 (As of March 31, 2022)	First half of FY2023 (As of September 30, 2022)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	33,910	35,495
Short-term loans payable	19,530	18,871
Current portion of bonds	91	86
Income taxes payable	1,926	1,902
Provision for bonuses	705	680
Other current liabilities	18,678	18,304
<b>Total current liabilities</b>	<b>74,842</b>	<b>75,340</b>
Non-current liabilities		
Bonds payable	349	306
Convertible bond-type bonds with subscription rights to shares	25,056	25,047
Long-term loans payable	23,684	21,852
Retirement benefit liability	3,810	3,806
Accrued retirement benefits for directors	462	387
Other non-current liabilities	18,966	19,856
<b>Total non-current liabilities</b>	<b>72,328</b>	<b>71,255</b>
<b>Total liabilities</b>	<b>147,171</b>	<b>146,596</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,240	12,240
Capital surplus	11,307	9,678
Retained earnings	121,817	125,222
Treasury shares	(3,198)	(1,286)
<b>Total shareholders' equity</b>	<b>142,166</b>	<b>145,854</b>
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	30,409	31,709
Deferred gain (loss) on hedges	88	62
Foreign currency translation adjustment	981	2,500
Retirement benefits liability adjustments	475	420
<b>Total accumulated other comprehensive income</b>	<b>31,954</b>	<b>34,693</b>
Subscription rights to shares	195	193
Non-controlling interests	4,381	3,642
<b>Total net assets</b>	<b>178,697</b>	<b>184,384</b>
<b>Total liabilities and net assets</b>	<b>325,869</b>	<b>330,980</b>

**(2) Quarterly consolidated statements of income and comprehensive income**  
**(Quarterly consolidated statements of income)**

(Millions of yen)

	First half of FY2022 (From April 1, 2021 to September 30, 2021)	First half of FY2023 (From April 1, 2022 to September 30, 2022)
Net sales	157,535	176,488
Cost of sales	120,258	137,551
Gross profit	37,276	38,936
Selling, general and administrative expenses	31,407	33,107
Operating income	5,869	5,829
Non-operating income		
Interest income	31	33
Dividend income	793	1,033
Other	904	869
Total non-operating income	1,729	1,936
Non-operating expenses		
Interest expenses	102	103
Share exchange related expenses	–	222
Other	133	228
Total non-operating expenses	236	554
Ordinary income	7,362	7,211
Extraordinary income		
Gain on sales of fixed assets	57	9
Gain on sales of investment securities	1,031	118
Total extraordinary income	1,088	127
Extraordinary expenses		
Loss on sales and disposal of fixed assets	39	53
Loss on sale of shares of subsidiaries and associates	24	–
Loss of valuation of investment securities	1	81
System failure response costs	761	–
Other	10	3
Total extraordinary expenses	838	138
Profit before income taxes	7,612	7,200
Income taxes - current	2,242	1,901
Income taxes - deferred	166	316
Total income taxes	2,409	2,218
Profit	5,203	4,982
Profit (loss) attributable to non-controlling interests	(31)	19
Profit attributable to owners of parent	5,235	4,963

**(Quarterly consolidated statements of comprehensive income)**

(Millions of yen)

	First half of FY2022 (From April 1, 2021 to September 30, 2021)	First half of FY2023 (From April 1, 2022 to September 30, 2022)
Profit	5,203	4,982
Other comprehensive income		
Unrealized holding gain (loss) on securities	592	1,293
Deferred gain (loss) on hedges	(17)	(26)
Foreign currency translation adjustment	287	1,508
Retirement benefits liability adjustments	6	(48)
Share of other comprehensive income of entities accounted for using equity method	17	16
Total other comprehensive income	886	2,743
Comprehensive income	6,090	7,725
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	6,129	7,698
Comprehensive income (loss) attributable to non-controlling interests	(39)	27

**(3) Quarterly consolidated statements of cash flows**

(Millions of yen)

	First half of FY2022 (From April 1, 2021 to September 30, 2021)	First half of FY2023 (From April 1, 2022 to September 30, 2022)
<b>Operating activities</b>		
Profit before income taxes	7,612	7,200
Depreciation	4,827	4,876
System failure response costs	761	–
Increase (decrease) in allowance for doubtful accounts	0	(18)
Interest and dividend income	(824)	(1,066)
Interest expenses	102	103
Loss (gain) on sales of investment securities	(1,029)	(127)
Loss (gain) on valuation of investment securities	1	81
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(101)	(188)
Foreign exchange losses (gains)	(109)	(154)
Loss (gain) on sales of fixed assets	(57)	(0)
Loss on disposal of fixed assets	45	44
Decrease (increase) in notes and accounts receivable - trade	(7,049)	673
Decrease (increase) in inventories	(5,804)	(9,458)
Increase (decrease) in notes and accounts payable - trade	6,727	1,319
Other, net	61	1,268
Subtotal	5,166	4,553
Interest and dividend income received	827	1,086
Interest expenses paid	(102)	(95)
Income taxes paid	(2,632)	(1,922)
Net cash provided by (used in) operating activities	3,258	3,620
<b>Investing activities</b>		
Decrease (increase) in time deposits	(682)	(1)
Purchase of investment securities	(52)	(1,054)
Proceeds from sales of investment securities	1,644	1,333
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(45)	–
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(295)
Purchase of fixed assets	(5,343)	(3,120)
Proceeds from sales of fixed assets	75	405
Payments of loans receivable	(6)	–
Collection of loans receivable	6	5
Decrease (increase) in other investments	31	(2)
Net cash provided by (used in) investing activities	(4,373)	(2,730)

(Millions of yen)

	First half of FY2022 (From April 1, 2021 to September 30, 2021)	First half of FY2023 (From April 1, 2022 to September 30, 2022)
<b>Financing activities</b>		
Net increase (decrease) in short-term loans payable	(372)	(1,761)
Proceeds from long-term loans payable	2,797	360
Repayments of long-term loans payable	(1,172)	(1,089)
Redemption of bonds	(48)	(48)
Purchase of treasury shares	(0)	(1)
Repayments of finance lease obligations	(130)	(152)
Cash dividends paid	(1,460)	(1,539)
Dividends paid to non-controlling interests	(32)	(19)
Other, net	(48)	(619)
Net cash provided by (used in) financing activities	(467)	(4,869)
Effect of exchange rate changes on cash and cash equivalents	119	520
Net increase (decrease) in cash and cash equivalents	(1,463)	(3,459)
Cash and cash equivalents at beginning of period	35,308	31,215
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(1,908)	–
Cash and cash equivalents at end of period	31,936	27,756

**(4) Notes on quarterly consolidated financial information**

**(Notes on going concern assumption)**

Not applicable.

**(Notes to significant changes in the amount of shareholders' equity)**

Not applicable.

**(Changes in accounting policies)**

(Application of the Implementation Guidance on Accounting Standard for Fair Value Measurement)

Effective from the beginning of the first quarter of the fiscal year ending March 31, 2023, the Company applies the "Implementation Guidance on Accounting Standard for Fair Value Measurement" (ASBJ Implementation Guidance No. 31, June 17, 2021) and will apply the new accounting policy stipulated by the Implementation Guidance on Accounting Standard for Fair Value Measurement from now on in accordance with the transitional treatment stipulated in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. There is no impact on quarterly consolidated financial statements.

**(Segment information, etc.)**

[Segment information]

## I. First Half of FY2022 (From April 1, 2021 to September 30, 2021)

## 1. Information on sales and income (loss) by reportable segment and composition of revenue

(Millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amounts recorded in quarterly consolidated financial statements <sup>(Note 3)</sup>
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	46,210	92,978	139,189	17,846	157,035	—	157,035
Other revenue	—	23	23	477	500	—	500
Net sales to external customers	46,210	93,002	139,212	18,323	157,535	—	157,535
Internal sales or transfers between segments	946	298	1,245	1,379	2,625	(2,625)	—
Total	47,157	93,300	140,457	19,703	160,161	(2,625)	157,535
Segment income	2,811	2,766	5,577	283	5,861	7	5,869

- Notes: 1. The “Other” column indicates businesses not included in the reportable segments, including pet food, health food, engineering and real estate leasing.  
2. Segment income adjustment of ¥7 million includes elimination of inter-segment transactions and corporate expenses.  
3. Segment income is adjusted to reconcile total segment income to operating income in the quarterly consolidated financial statements.

## 2. Information about impairment loss on fixed assets and about goodwill etc. by reportable segment

Not applicable.

## II. First Half of FY2023 (From April 1, 2022 to September 30, 2022)

## 1. Information on sales and income (loss) by reportable segment and composition of revenue

(Millions of yen)

	Reportable segments			Other (Note 1)	Total	Adjustments (Note 2)	Amounts recorded in quarterly consolidated financial statements <sup>(Note 3)</sup>
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	56,149	100,341	156,490	19,496	175,986	—	175,986
Other revenue	—	23	23	478	501	—	501
Net sales to external customers	56,149	100,364	156,513	19,975	176,488	—	176,488
Internal sales or transfers between segments	1,248	344	1,593	998	2,591	(2,591)	—
Total	57,398	100,708	158,106	20,973	179,080	(2,591)	176,488
Segment income	3,425	2,041	5,466	333	5,800	29	5,829

- Notes: 1. The “Other” column indicates businesses not included in the reportable segments, including pet food, health food, engineering and real estate leasing.  
2. Segment income adjustment of ¥29 million includes elimination of inter-segment transactions and corporate expenses.  
3. Segment income is adjusted to reconcile total segment income to operating income in the quarterly consolidated financial statements.

## 2. Information about impairment loss on fixed assets and about goodwill etc. by reportable segment

Not applicable.