



## Consolidated Financial Results for the First Half of FY2024 [J-GAAP]

November 7, 2023

Listed company name: **NIPPN CORPORATION**  
 Listing: The Prime Market of Tokyo Stock Exchange  
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 Filing date of quarterly financial report: November 8, 2023  
 Start of cash dividend payments: December 4, 2023  
 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 FY2024 (From April 1, 2023 to September 30, 2023)

#### (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	
First half of FY2024	198,973	12.7%	11,035	89.3%	12,544	73.9%	8,489	71.1%
First half of FY2023	176,488	12.0%	5,829	(0.7)%	7,211	(2.0)%	4,963	(5.2)%

(Note) Comprehensive income: First half of FY2024: ¥17,513 million (126.7%)

First half of FY2023: ¥7,725 million (26.8%)

	Profit per Share (Yen)	Fully Diluted Profit per Share (Yen)
First half of FY2024	108.90	95.11
First half of FY2023	64.17	56.00

#### (2) Consolidated financial position

	Total Assets	Net Assets	Equity Ratio
First half of FY2024	365,497	208,398	55.9%
FY2023	344,606	192,613	54.8%

(Reference) Equity capital: First half of FY2024: ¥204,342 million

FY2023: ¥188,687 million

### 2. Dividends

	Dividends per Share (Yen)				
	1Q-end	2Q-end	3Q-end	Year-end	Full Year
FY2023	—	19.00	—	21.00	40.00
FY2024	—	28.00			
FY2024 (Forecast)			—	28.00	56.00

(Note) Adjustment for the most recent forecast of the dividends in the current term: Yes

### 3. Forecast of the consolidated financial results for FY2024 (From April 1, 2023 to March 31, 2024)

(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)
Full year	400,000	9.4%	17,500	42.4%	20,000	35.0%	14,500	41.3%	186.00

(Note) Adjustment for the most recent forecast of the consolidated financial results in the current term: Yes

\* 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: | None |
| 2) Changes other than 1):   | None |
| 3) Changes in accounting estimates:   | None |
| 4) Retrospective restatements:  | None |

(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 FY2024	78,824,009 shares	FY2023	78,824,009 shares
2) Number of treasury shares at the end of each period:	First half of FY2024	847,801 shares	FY2023	860,850 shares
3) Average number of shares (quarterly consolidated cumulative period):	First half of FY2024	77,956,154 shares	First half of FY2023	77,343,245 shares

(Note) The number of shares at the end of the period includes the Company's shares (240,000 shares at the end of the first half of FY2024) held by Custody Bank of Japan, Ltd. (Trust E Account). The number of treasury shares deducted in calculating the average number of shares during the period includes the Company's shares (80,000 shares at the end of the first half of FY2024) held by Custody Bank of Japan, Ltd. (Trust E Account).

\* 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 2023	First six months of Fiscal 2024	Difference	Change
Net sales	176,488	198,973	22,484	112.7%
Operating income	5,829	11,035	5,205	189.3%
Ordinary income	7,211	12,544	5,332	173.9%
Profit attributable to owners of parent	4,963	8,489	3,526	171.1%

During the first half of the fiscal year ending March 31, 2024, the Japanese economy benefited from a recovery of both personal consumption and inbound consumption, reflecting the relaxation of restrictions on activities. Although manufacturing and logistics costs remained high, against a backdrop of soaring prices of raw materials and energy, grain prices, which had soared following Russia's invasion of Ukraine, began to subside. However, reflecting international instability, ongoing depreciation of the yen in foreign exchange markets, and other factors, the outlook remained uncertain. Nevertheless, indications of economic expansion have gradually begun to appear in line with the normalization of economic activities.

In these circumstances, in accordance with our management philosophy of “contributing to the realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people,” we worked to strengthen our business foundation while expanding the scope of business through vigorous investment in Japan and overseas, including M&A and business alliances. At the same time, in order to fulfill our corporate social responsibility, we stepped up our initiatives to address sustainability issues, such as by reducing environmental impacts and investing in human capital. Through these initiatives we strove to achieve sustainable enhancement of corporate value.

In May 2023, we invested in Utah Flour Milling, LLC, a flour milling company in the U.S., with a view to business expansion in North America. In Japan, we made steady progress with capital investment, including construction of a new flour mill in Chita City, Aichi Prefecture, and expansion of Kobe-Konan Mill, which we have been focusing on for some time, in order to enhance cost competitiveness and reinforce the revenue base.

In September 2023, NIPPON (Thailand) Co., Ltd. introduced photovoltaic power generation facilities at its premix and frozen dough plants to promote the use of renewable energy.

Consolidated net sales for the first half of fiscal 2024 increased by 12.7% year on year to ¥198,973 million, reflecting an increase in demand due to recovery of personal consumption and inbound consumption and the implementation of sales price revisions in response to rising raw material costs and various other costs. In terms of profit, despite these higher costs and an increase in strategic costs for sales expansion, operating income increased by 89.3% to ¥11,035 million, ordinary income increased by 73.9% to ¥12,544 million, and profit attributable to owners of parent increased by 71.1% to ¥8,489 million owing to growth in the sales volume of frozen foods and robust performance of the ready-made meal business.

The Company will pay an interim dividend of ¥28 per share, an increase of ¥8 compared to the previous forecast, in view of recent favorable financial results.

The performance of individual business segments was as follows.

## 1) Flour Milling

(Millions of yen)

	First six months of Fiscal 2023	First six months of Fiscal 2024	Difference	Change
Net sales	56,149	62,711	6,562	111.7%
Operating income	3,425	4,563	1,138	133.2%

In the Flour Milling business, sales were higher than the level for the same period of the previous year, mainly because of the wheat flour price revision and a robust trend in sales prices of wheat bran, a by-product.

In line with the increase of government sales prices (tax inclusive) of imported wheat by 5.8% on average for the five key products in April 2023, we revised the prices of wheat flour products for professional use from June 2023.

As a result, net sales of the Flour Milling segment increased by 11.7% year on year to ¥62,711 million, and operating income increased by 33.2% to ¥4,563 million.

## 2) Food

(Millions of yen)

	First six months of Fiscal 2023	First six months of Fiscal 2024	Difference	Change
Net sales	100,364	113,107	12,743	112.7%
Operating income	2,041	5,488	3,446	268.9%

In the professional-use category, demand increased mainly from restaurants owing to recovery of personal consumption and inbound consumption, 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, we continued price revisions from the previous year in line with cost increases, such as for raw materials, logistics, and energy, 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 frozen foods category, sales of home-use frozen foods, such as the One Plate Meal series of complete meals consisting of a main dish and staples and the Big series of large-portion dishes, were buoyant in response to increasing needs for “quick and easy” meals and the trend toward frugality, respectively. Sales of products in this category were higher than the level for the same period of the previous year, also reflecting price revisions.

In the ready-made meals business, sales were higher than the level for the same period of the previous year because demand increased as more people were out and about, resuming their normal lifestyles, and also owing to price revisions.

As a result, net sales of the Food segment increased by 12.7% year on year to ¥113,107 million, and operating income increased by 168.9% to ¥5,488 million.

## 3) Other

(Millions of yen)

	First six months of Fiscal 2023	First six months of Fiscal 2024	Difference	Change
Net sales	19,975	23,154	3,178	115.9%
Operating income	333	990	656	297.0%

Sales of the pet food business were higher than the level for the same period of the previous year because of price revisions in line with cost increases, such as for raw materials, in addition to an increase in the volume of products shipped.

Sales of the restaurant business were higher than the level for the same period of the previous year, reflecting buoyant sales of products in addition to an increase in demand as more people were out and about, resuming their normal lifestyles.

As a result, net sales for the Other segment increased by 15.9% year on year to ¥23,154 million, and operating income increased by 197.0% to ¥990 million.

**(2) Overview of financial position**

## 1) Assets, liabilities and net assets

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023	Difference
Current assets	143,021	148,328	5,306
Non-current assets	201,557	217,149	15,591
Deferred assets	26	19	(6)
Total assets	344,606	365,497	20,890
Current liabilities	78,613	82,905	4,292
Non-current liabilities	73,378	74,192	813
Total liabilities	151,992	157,098	5,105
Total net assets	192,613	208,398	15,785
Total liabilities and net assets	344,606	365,497	20,890

Total assets at the end of the first half of fiscal 2024 increased by ¥20,890 million from the previous fiscal year end (March 31, 2023) to ¥365,497 million. This was mainly because investment securities; notes and accounts receivable - trade and contract assets; property, plant and equipment; and raw materials and supplies increased by ¥13,653 million, ¥6,240 million, ¥2,177 million, and ¥1,775 million, respectively, and cash and deposits decreased by ¥3,534 million.

Total liabilities increased by ¥5,105 million from the previous fiscal year end to ¥157,098 million. This was mainly because other non-current liabilities and notes and accounts payable - trade increased by ¥2,728 million and ¥2,112 million, respectively.

Net assets increased by ¥15,785 million from the previous fiscal year end to ¥208,398 million. This was mainly because unrealized holding gain (loss) on securities, retained earnings, and foreign currency translation adjustment increased by ¥7,719 million, ¥6,849 million, and ¥1,006 million, respectively.

## 2) Cash flows

(Millions of yen)

	First six months of Fiscal 2023	First six months of Fiscal 2024	Difference
Net cash provided by (used in) operating activities	3,620	7,293	3,673
Net cash provided by (used in) investing activities	(2,730)	(9,077)	(6,346)
Net cash provided by (used in) financing activities	(4,869)	(3,330)	1,539
Effect of exchange rate changes on cash and cash equivalents	520	305	(215)
Net increase (decrease) in cash and cash equivalents	(3,459)	(4,809)	(1,350)
Cash and cash equivalents at end of period	27,756	28,348	592

The balance of cash and cash equivalents at the end of the first half of fiscal 2024 stood at ¥28,348 million, a decrease of ¥4,809 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 ¥7,293 million compared with ¥3,620 million for the same period of the previous year. This mainly reflected ¥12,193 million for profit before income taxes, ¥4,896 million for depreciation, ¥1,906 million for increase in notes and accounts payable - trade, ¥6,075 million for increase in notes and accounts receivable - trade, ¥2,692 million for increase in inventories, and ¥2,606 million for income taxes paid.

## (Investing activities)

Net cash used in investing activities amounted to ¥9,077 million compared with ¥2,730 million for the same period of the previous year. The main factors were purchase of fixed assets amounting to ¥6,282 million and purchase of shares of subsidiaries and associates amounting to ¥3,402 million.

## (Financing activities)

Net cash used in financing activities amounted to ¥3,330 million compared with ¥4,869 million for the same period of the previous year. The main factors were repayments of long-term loans payable amounting to ¥2,127 million and cash dividends paid amounting to ¥1,640 million.

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

In its long-term vision, the Group aims to grow to a scale of ¥500 billion in net sales and ¥25 billion in operating income on a consolidated basis. In order to achieve this goal, we will endeavor to grow our core businesses of flour milling, food ingredients, and processed foods by strengthening our brand power, developing differentiated products, and increasing production capacity. We position frozen foods, ready-made meals, healthcare, and overseas business, which are growth businesses, as priority fields and are promoting improvement and expansion of supply bases as well as acquisitions and alliances to enhance sales and profit.

In accordance with the management philosophy, the Group will strive to further enhance its corporate value by sincerely addressing the issues confronting society such as climate change and other environmental issues, the need for effective use of food resources, population issues, and the extension of healthy life expectancy.

The Company made upward revisions to the forecast of consolidated financial results for the fiscal year ending March 31, 2024, in view of the financial results for the first half of fiscal 2024 and the outlook for the third quarter onward. The year-end dividend will be ¥28 per share, an increase of ¥8 compared to the previous forecast. As a result, the annual dividend will be ¥56 per share, including the interim dividend, an increase of ¥16 compared to the result for the previous fiscal year.

For details, please refer to “Notice Regarding Differences Between Consolidated Financial Results Forecasts and Actual Results for First Six Months of Fiscal Year Ending March 2024, Dividends of Surplus (interim dividends) and Revision of Year-end Dividend Forecast” announced today (November 7, 2023).

## Revision of forecast of the consolidated financial results for FY2024 (From April 1, 2023 to March 31, 2024)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Profit per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Previous forecast (A)	387,000	12,500	14,600	10,800	138.60
Revised forecast (B)	400,000	17,500	20,000	14,500	186.00
Change (B-A)	13,000	5,000	5,400	3,700	
Rate of change (%)	3.4	40.0	37.0	34.3	
(Ref.) Results for FY2023 (fiscal year ended March 31, 2023)	365,525	12,288	14,816	10,260	132.16



**2. Quarterly Consolidated Financial Statements****(1) Quarterly consolidated balance sheets**

(Millions of yen)

	FY2023 (As of March 31, 2023)	First half of FY2024 (As of September 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	36,815	33,280
Notes and accounts receivable - trade and contract assets	54,119	60,360
Merchandise and finished goods	20,918	22,047
Work in process	222	172
Raw materials and supplies	26,400	28,176
Other current assets	4,607	4,344
Allowance for doubtful accounts	(61)	(52)
Total current assets	143,021	148,328
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	46,745	47,550
Machinery, equipment and vehicles, net	21,170	21,501
Land	41,027	41,238
Construction in progress	1,741	2,140
Other, net	2,782	3,213
Total property, plant and equipment	113,467	115,645
Intangible assets		
Goodwill	1,179	1,085
Other	996	1,483
Total intangible assets	2,175	2,568
Investments and other assets		
Investment securities	77,254	90,907
Other assets	8,979	8,338
Allowance for doubtful accounts	(320)	(311)
Total investments and other assets	85,914	98,935
Total non-current assets	201,557	217,149
Deferred assets	26	19
Total assets	344,606	365,497

(Millions of yen)

	FY2023 (As of March 31, 2023)	First half of FY2024 (As of September 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	36,669	38,782
Short-term loans payable	17,572	17,799
Current portion of bonds	221	306
Income taxes payable	2,645	3,271
Provision for bonuses	764	780
Other current liabilities	20,740	21,965
<b>Total current liabilities</b>	<b>78,613</b>	<b>82,905</b>
Non-current liabilities		
Bonds payable	128	-
Convertible bond-type bonds with subscription rights to shares	25,038	25,029
Long-term loans payable	21,175	19,480
Retirement benefit liability	3,881	3,841
Accrued retirement benefits for directors	406	343
Provision for share awards for directors (and other officers)	-	20
Other non-current liabilities	22,748	25,477
<b>Total non-current liabilities</b>	<b>73,378</b>	<b>74,192</b>
<b>Total liabilities</b>	<b>151,992</b>	<b>157,098</b>
Net assets		
Shareholders' equity		
Capital stock	12,240	12,240
Capital surplus	9,693	9,761
Retained earnings	128,965	135,815
Treasury shares	(1,287)	(1,317)
<b>Total shareholders' equity</b>	<b>149,612</b>	<b>156,500</b>
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	36,462	44,182
Deferred gain (loss) on hedges	(23)	26
Foreign currency translation adjustments	2,161	3,168
Retirement benefits liability adjustments	473	464
<b>Total accumulated other comprehensive income</b>	<b>39,074</b>	<b>47,842</b>
Subscription rights to shares	226	221
Non-controlling interests	3,699	3,834
<b>Total net assets</b>	<b>192,613</b>	<b>208,398</b>
<b>Total liabilities and net assets</b>	<b>344,606</b>	<b>365,497</b>

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

(Millions of yen)

	First half of FY2023 (From April 1, 2022 to September 30, 2022)	First half of FY2024 (From April 1, 2023 to September 30, 2023)
Net sales	176,488	198,973
Cost of sales	137,551	152,588
Gross profit	38,936	46,384
Selling, general and administrative expenses	33,107	35,348
Operating income	5,829	11,035
Non-operating income		
Interest income	33	34
Dividend income	1,033	1,028
Other	869	627
Total non-operating income	1,936	1,691
Non-operating expenses		
Interest expenses	103	94
Share exchange related expenses	222	–
Other	228	88
Total non-operating expenses	554	182
Ordinary income	7,211	12,544
Extraordinary income		
Gain on sale of fixed assets	9	42
Gain on sale of investment securities	118	13
Total extraordinary income	127	55
Extraordinary expenses		
Loss on sale and disposal of fixed assets	53	79
Loss on sale of shares of subsidiaries and associates	–	239
Impairment losses	–	25
Loss of valuation of investment securities	81	46
Other	3	15
Total extraordinary expenses	138	405
Profit before income taxes	7,200	12,193
Income taxes - current	1,901	3,199
Income taxes - deferred	316	348
Total income taxes	2,218	3,547
Profit	4,982	8,646
Profit attributable to non-controlling interests	19	156
Profit attributable to owners of parent	4,963	8,489

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

(Millions of yen)

	First half of FY2023 (From April 1, 2022 to September 30, 2022)	First half of FY2024 (From April 1, 2023 to September 30, 2023)
Profit	4,982	8,646
Other comprehensive income		
Unrealized holding gain (loss) on securities	1,293	7,802
Deferred gain (loss) on hedges	(26)	50
Foreign currency translation adjustment	1,508	947
Retirement benefits liability adjustments	(48)	(9)
Share of other comprehensive income of entities accounted for using equity method	16	76
Total other comprehensive income	2,743	8,867
Comprehensive income	7,725	17,513
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	7,698	17,335
Comprehensive income (loss) attributable to non-controlling interests	27	178

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

(Millions of yen)

	First half of FY2023 (From April 1, 2022 to September 30, 2022)	First half of FY2024 (From April 1, 2023 to September 30, 2023)
<b>Operating activities</b>		
Profit before income taxes	7,200	12,193
Depreciation	4,876	4,896
Loss on sale of stocks of subsidiaries and affiliates	–	239
Increase (decrease) in allowance for doubtful accounts	(18)	(19)
Impairment losses	–	25
Interest and dividend income	(1,066)	(1,063)
Interest expenses	103	94
Loss (gain) on sale of investment securities	(127)	(36)
Loss (gain) on valuation of investment securities	81	46
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(188)	(190)
Foreign exchange losses (gains)	(154)	(53)
Loss (gain) on sale of fixed assets	(0)	(15)
Loss on disposal of fixed assets	44	56
Decrease (increase) in notes and accounts receivable - trade	673	(6,075)
Decrease (increase) in inventories	(9,458)	(2,692)
Increase (decrease) in notes and accounts payable - trade	1,319	1,906
Other, net	1,268	(431)
<b>Subtotal</b>	<b>4,553</b>	<b>8,878</b>
Interest and dividend income received	1,086	1,108
Interest expenses paid	(95)	(86)
Income taxes paid	(1,922)	(2,606)
<b>Net cash provided by (used in) operating activities</b>	<b>3,620</b>	<b>7,293</b>
<b>Investing activities</b>		
Decrease (increase) in time deposits	(1)	(1,055)
Purchase of securities	–	(1,000)
Proceeds from sale and redemption of securities	–	1,016
Purchase of investment securities	(1,054)	(132)
Proceeds from sale of investment securities	1,333	127
Purchase of shares of subsidiaries and associates	–	(3,402)
Proceeds from sale of shares of subsidiaries and associates	–	907
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(295)	–
Purchase of fixed assets	(3,120)	(6,282)
Proceeds from sale of fixed assets	405	384
Payments of loans receivable	–	(50)
Collection of loans receivable	5	6
Decrease (increase) in other investments	(2)	402
<b>Net cash provided by (used in) investing activities</b>	<b>(2,730)</b>	<b>(9,077)</b>

(Millions of yen)

	First half of FY2023 (From April 1, 2022 to September 30, 2022)	First half of FY2024 (From April 1, 2023 to September 30, 2023)
<b>Financing activities</b>		
Net increase (decrease) in short-term loans payable	(1,761)	659
Proceeds from long-term loans payable	360	–
Repayments of long-term loans payable	(1,089)	(2,127)
Redemption of bonds	(48)	(43)
Purchase of treasury shares	(1)	(447)
Proceeds from sale of treasury shares	0	446
Repayments of finance lease obligations	(152)	(152)
Cash dividends paid	(1,539)	(1,640)
Dividends paid to non-controlling interests	(19)	(37)
Other, net	(619)	11
Net cash provided by (used in) financing activities	(4,869)	(3,330)
Effect of exchange rate changes on cash and cash equivalents	520	305
Net increase (decrease) in cash and cash equivalents	(3,459)	(4,809)
Cash and cash equivalents at beginning of period	31,215	33,157
Cash and cash equivalents at end of period	27,756	28,348

**(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.

**(Segment information, etc.)**

[Segment information]

## I. 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, restaurant 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.

## II. First Half of FY2024 (From April 1, 2023 to September 30, 2023)

## 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	62,711	113,084	175,795	22,675	198,471	—	198,471
Other revenue	—	23	23	478	501	—	501
Net sales to external customers	62,711	113,107	175,818	23,154	198,973	—	198,973
Internal sales or transfers between segments	1,411	597	2,008	3,097	5,106	(5,106)	—
Total	64,122	113,704	177,827	26,251	204,079	(5,106)	198,973
Segment income	4,563	5,488	10,052	990	11,042	(6)	11,035

- Notes: 1. The “Other” column indicates businesses not included in the reportable segments, including pet food, health food, engineering, restaurant and real estate leasing.  
2. Segment income adjustment of ¥(6) 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

(Material impairment loss pertaining to fixed assets)

In the “Other” segment, impairment loss on fixed assets is recorded for which the investment is no longer recoverable. The amount of impairment loss recorded amounted to ¥25 million for the first half of fiscal 2024.