



## Consolidated Financial Results for FY2024 and Forecast for FY2025 [J-GAAP]

(As of May 14, 2024)

Listed company name: **NIPPON CORPORATION**  
 Listing: The Prime Market of Tokyo Stock Exchange  
 Code number: 2001 URL <https://www.nippon.co.jp> TEL 03-3511-5307  
 Representative: Toshiya Maezuru, President and Chief Operating Officer  
 Contact: Koichiro Fukuyama, General Manager of Corporate Communications Group  
 Date of the general meeting of shareholders: June 27, 2024  
 Payment date of cash dividends: June 28, 2024  
 Filing date of financial statements: June 27, 2024  
 Supplementary materials prepared: Yes  
 Results information meeting held: Yes

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

### 1. Consolidated financial results for the year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

#### (1) Consolidated operating results

(Millions of yen, percentage figures show the rates of change from the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of Parent	
FY2024	400,514	9.6%	20,340	65.5%	23,280	57.1%	26,367	157.0%
FY2023	365,525	13.8%	12,288	8.9%	14,816	3.8%	10,260	10.0%

(Note) Comprehensive income: FY2024: ¥39,614 million (126.6%) FY2023: ¥17,481 million (39.7%)

	Profit per share (Yen)	Fully Diluted Profit per Share (Yen)	ROE (%)	Ordinary Income to Total Assets (%)	Operating Income to Net Sales (%)
FY2024	338.20	295.46	12.8	6.4	5.1
FY2023	132.16	115.39	5.7	4.4	3.4

(Reference) Equity in earnings of affiliated companies : FY2024: ¥136 million FY2023: ¥309 million

#### (2) Consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
FY2024	386,692	228,285	58.0	2,874.28
FY2023	344,606	192,613	54.8	2,421.48

(Reference) Equity capital: FY2024: ¥224,115 million FY2023: ¥188,687 million

#### (3) Consolidated cash flows

(Millions of yen)

	Cash Flows from Operating Activities	Cash flows from investing activities	Cash Flows from Financing Activities	Cash and Cash Equivalents at the End of the Year
FY2024	24,022	(9,489)	(7,241)	40,728
FY2023	15,055	(5,026)	(8,402)	33,157

### 2. Dividends

	Dividends per Share (Yen)					Total Amount of Cash Dividends (Millions of yen)	Dividend Payout Ratio (Consolidated) (%)	Dividends on Net Assets (Consolidated) (%)
	1Q-end	2Q-end	3Q-end	Year-end	Full Year			
FY2023	-	19.00	-	21.00	40.00	3,124	30.3	1.7
FY2024	-	28.00	-	38.00	66.00	5,172	19.5	2.5
FY2025 (Forecast)	-	33.00	-	33.00	66.00		21.4	

### 3. Forecast of consolidated business results for FY2025 (From April 1, 2024 to March 31, 2025)

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

	Net Sales		Operating Income		Ordinary Income		Profit Attributable to Owners of the Parent		Profit per Share (Yen)
Half Year	205,000	3.0%	10,000	(9.4) %	11,000	(12.3) %	13,000	53.1%	166.73
Full Year	412,000	2.9%	20,500	0.8%	22,500	(3.4) %	24,000	(9.0) %	307.80

\* Notes

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

(2) 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

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

1) Number of shares outstanding at the end of each period (including treasury shares):

FY2024	78,824,009 shares	FY2023	78,824,009 shares
FY2024	848,032 shares	FY2023	860,850 shares
FY2024	77,964,511 shares	FY2023	77,633,189 shares

2) Number of treasury shares at the end of each period:

3) Average number of shares:

(Note) The number of shares at the end of the period includes the Company's shares (240,000 shares at the end 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 (160,000 shares at the end of FY2024) held by Custody Bank of Japan, Ltd. (Trust E Account)).

(Reference) Summary of Non-consolidated Financial Results

1. Non-consolidated financial results for the year ended March 31, 2024 (From April 1, 2023 to March 31, 2024)

(1) Non-consolidated operating results

(Millions of yen, percentage figures show the rates of change from the previous year.)

	Net Sales		Operating Income		Ordinary Income		Profit	
FY2024	248,176	10.3%	12,368	38.3%	15,677	35.0%	22,159	548.9%
FY2023	225,014	16.3%	8,942	(5.8) %	11,613	(7.1) %	3,414	(66.6) %

	Profit per share	Fully Diluted Profit per Share (Yen)
FY2024	283.65	247.84
FY2023	43.88	38.23

(2) Non-consolidated financial position

(Millions of yen)

	Total Assets	Net Assets	Equity Ratio (%)	Net Assets per Share (Yen)
FY2024	302,123	186,540	61.7	2,384.85
FY2023	271,119	158,797	58.5	2,030.01

(Reference) Equity capital: FY2024: ¥186,319 million FY2023: ¥158,570 million

\* These consolidated financial results are outside the scope of audit.

\* 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. Overview of Financial Results (1) Overview of business results for the fiscal year under review 2) Future outlook" on page 4 for information on preconditions underlying the above outlook and other related information.

## Contents

<b>1. Overview of Financial Results</b> .....	2
(1) Overview of business results for the fiscal year under review .....	2
(2) Overview of financial position for the fiscal year under review .....	5
(3) Basic policy on profit distribution and dividends for the year ended <b>March 31, 2023</b> and the year ending <b>March 31, 2024</b> .....	7
<b>2. Basic Approach to the Selection of Accounting Standards</b> .....	7
<b>3. Consolidated Financial Statements</b> .....	8
(1) Consolidated balance sheets .....	8
(2) Consolidated statements of income and comprehensive income .....	10
(Consolidated statements of income) .....	10
(Consolidated statements of comprehensive income) .....	11
(3) Consolidated statements of changes in net assets .....	12
(4) Consolidated statements of cash flows .....	14
(5) Notes on consolidated financial information .....	16
(Segment information, etc.) .....	16
(Per share information) .....	18
(Important subsequent events) .....	18

## 1. Overview of Financial Results

### (1) Overview of business results for the fiscal year under review

#### 1) Business results for the fiscal year under review

(Millions of yen)

	Fiscal 2023	Fiscal 2024	Difference	Change
Net sales	365,525	400,514	34,988	109.6%
Operating income	12,288	20,340	8,052	165.5%
Ordinary income	14,816	23,280	8,463	157.1%
Profit attributable to owners of parent	10,260	26,367	16,107	257.0%

During the fiscal year under review, the Japanese economy benefited from a recovery of both personal consumption and inbound demand, 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, have subsided and remained stable. Although the outlook remains less bright due to increasingly complex international conditions, trends in domestic monetary policy, and the risk of exchange rate fluctuations, the business environment surrounding us has gradually improved as economic activities have normalized.

In these circumstances, in accordance with our management philosophy of "Contributing to realization of a sustainable society by pursuing the well-being (happiness, health, and smiles) of people," we stepped up our initiatives to address sustainability issues, such as reducing our environmental impacts and human capital. Through these initiatives we strove to achieve sustainable enhancement of corporate value.

In Japan, construction of a new flour mill in Chita City, Aichi Prefecture, started in October last year. The mill is scheduled to start operating in February 2026 as a state-of-the-art flour mill that will be a smart factory utilizing DX. It will be resistant to natural disasters and considers SDGs, including energy conservation and the environment. In addition to building the new mill, we have been steadily making investments, including the expansion of equipment at the Kobe-Konan Mill and the Isesaki Plant. In February of this year, we acquired a site for a new research base in order to further strengthen our R&D structure.

Overseas, in May last year we invested in Utah Flour Milling, LLC, a US flour mill company, to expand our business in North America, and in September we installed solar power generation equipment at NIPPN (Thailand) Co. Ltd.'s premix and frozen dough factory. In addition, construction of a premix plant for PT NIPPN PRODUCTS INDONESIA was completed in October, and we worked on business expansion in the ASEAN region.

Consolidated net sales for the fiscal year under review increased by 9.6% year on year to ¥400,514 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 related to generating sales, operating income increased by 65.5% to ¥20,340 million and ordinary income rose by 57.1% to ¥23,280 million, owing to a rise in the sales volume of frozen foods and robust performance of the Nakashoku (Ready-made meal) Business, cost reductions through productivity improvement, and other factors, and profit attributable to owners of the parent grew by 157.0% to ¥26,367 million due to the recording of extraordinary income from the sale of cross-shareholdings. As a result, net sales and profits at each stage reached record highs.

The performance of individual business segments was as follows.

**Flour Milling**

(Millions of yen)

	Fiscal 2023	Fiscal 2024	Difference	Change
Net sales	117,604	125,316	7,711	106.6%
Operating income	7,528	9,186	1,657	122.0%

In the Flour Milling business, sales were higher than the level for 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 and the decrease of 11.1% in October of the same year, we revised the prices of wheat flour products for professional use from June 2023 and January 2024.

As a result, net sales for the Flour Milling segment increased by 6.6% year on year to ¥125,316 million, and operating income increased by 22.0% to ¥9,186 million.

**Food**

(Millions of yen)

	Fiscal 2024	Fiscal 2023	Difference	Change
Net sales	204,796	226,661	21,864	110.7%
Operating income	3,449	8,354	4,904	242.2%

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 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 previous year.

In the frozen foods category, the "Oh My Premium" frozen pasta series, which marked the 20th anniversary of its launch, was launched as a new lineup of the "SHIGOKU" series, which aims for the highest level of taste, and initiatives were undertaken to expand sales of high-value-added products. Sales also increased year on year due to strong sales of frozen foods for home use, such as the "Yoku-bari" series of single-serving ready-to-eat meals in trays, as well as the implementation of a price revision.

In February of this year, we launched a new brand strategy for Oh My Premium, which revolutionizes home-use pasta, and we are working to further strengthen sales of home-use food products and home-use frozen foods.

In the Nakashoku (Ready-made meal) Business, sales were higher than the level for the previous year because demand increased as more people were going out and resuming their normal lifestyles, and also owing to higher unit sales prices of products.

As a result, net sales of the Food segment increased by 10.7% year on year to ¥226,661 million, and operating income increased by 142.2% to ¥8,354 million.

**Other**

(Millions of yen)

	Fiscal 2023	Fiscal 2024	Difference	Change
Net sales	43,123	48,536	5,412	112.6%
Operating income	1,263	2,799	1,535	221.5%

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

As a result, net sales for the Other segment increased by 12.6% year on year to ¥48,536 million, and operating income increased by 121.5% to ¥2,799 million.

**2) Future outlook**

In order to achieve sustainable growth, the Group will focus on strengthening its brand power and developing differentiated products, as well as improving sales and earnings by developing and expanding production bases and promoting business acquisitions and alliances.

For the fiscal year ending March 31, 2025, we forecast net sales to increase by 2.9% year on year to ¥412.0 billion, as consumer demand is expected to remain strong. As for profits, although strategic costs for sales promotion and higher personnel expenses are expected to continue, we forecast operating income to increase 0.8% to ¥20.5 billion, ordinary income to decrease 3.4% to ¥22.5 billion, and profit attributable to owners of parent to decrease 9.0% to ¥24.0 billion due to sales volume growth associated with sales promotion, etc.

In addition, the Group has newly established its Long-term Vision 2030, "As a comprehensive food company, the NIPPON Group will continue to take on the challenge of solving social problems through food." with the target year for achieving net sales and operating income set at fiscal year 2030. In order to realize our management philosophy, we will simultaneously realize both the wellbeing of "employees" and the wellbeing of "society" and "consumers" that are the source of corporate value creation as the wellbeing we aim for.

As a milestone to achieve our long-term vision of ¥500 billion in net sales and ¥25 billion in operating income, we had set medium-term targets of ¥400 billion in net sales and ¥15 billion in operating income by FY2026. However, since our performance for the fiscal year under review exceeded the initial targets due to improved productivity, increased sales volume in some categories, and penetration of price revisions, we have now set new numerical targets: net sales of ¥450 billion, operating income of ¥21 billion, ROE of 8% or higher, and ROIC of 5% or higher. Although operating income will increase slightly from the fiscal year under review due to the increased depreciation burden associated with the operation of the new plant and other factors, the numerical target for operating income before depreciation and amortization will be a significant increase.

The revised medium-term goals, as in the past, are based on five basic strategic policies: strengthening profitability in core areas, making strategic investments in growth and new areas, pursuing M&A and business alliance opportunities, promoting sustainability management, and strengthening the management foundation through DX promotion and other measures. By steadily implementing strategies in line with these basic policies, we will strive to achieve our revised medium-term targets for FY2026.

For details, please refer to the "Notice Concerning NIPPON Group Long-term Vision 2030 and Revision of FY2023-2027 Medium-term Targets" released today (May 14, 2024).

**(2) Overview of financial position for the fiscal year under review****1) Assets, liabilities and net assets**

(Millions of yen)

	As of March 31, 2023	As of March 31, 2024	Difference
Current assets	143,021	157,759	14,737
Non-current assets	201,557	228,919	27,361
Deferred assets	26	13	(12)
Total assets	344,606	386,692	42,086
Current liabilities	78,613	84,403	5,790
Non-current liabilities	73,378	74,002	623
Total liabilities	151,992	158,406	6,413
Total Net Assets	192,613	228,285	35,672
Total liabilities and net assets	344,606	386,692	42,086

Total assets at the end of the fiscal 2024 increased by ¥42,086 million from the previous fiscal year end (March 31, 2023) to ¥386,692 million. This was mainly because investment securities; property, plant and equipment; cash and deposits; notes and accounts receivable - trade and contract assets; retirement benefit assets; and other current assets, rose by ¥13,363 million, ¥10,939 million, ¥8,778 million, ¥6,437 million, ¥3,219 million, and ¥2,975 million, respectively, and raw materials and supplies, declined by ¥5,639 million.

Total liabilities increased by ¥6,413 million from the previous fiscal year-end to ¥158,406 million. This was mainly because income taxes payable; deferred tax liabilities; other current liabilities; short-term loans payable; and accrued expenses, increased by ¥4,868 million, ¥4,794 million, ¥1,349 million, ¥1,300 million and ¥1,006 million, respectively, and long-term loans payable; and notes and accounts payable - trade decreased by ¥3,968 million and ¥2,883 million, respectively.

Net assets increased by ¥35,672 million from the previous fiscal year-end to ¥228,285 million. This was mainly because retained earnings, unrealized holding gain (loss) on securities, and retirement benefit liability adjustments increased by ¥22,526 million, ¥9,659 million, and ¥2,189 million, respectively.

**2) Cash flows**

	(Millions of yen)		
	Fiscal 2023	Fiscal 2024	Difference
Cash flows from operating activities	15,055	24,022	8,966
Cash flows from investing activities	(5,026)	(9,489)	(4,463)
Cash flows from financing activities	(8,402)	(7,241)	1,161
Effect of exchange rate changes on cash and cash equivalents	394	293	(101)
Net increase (decrease) in cash and cash equivalents	2,021	7,584	5,563
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(78)	(13)	65
Cash and cash equivalents at end of period	33,157	40,728	7,570

As of March 31, 2024, the balance of cash and cash equivalents stood at ¥40,728 million, an increase of ¥7,570 million compared with the end of the previous fiscal year. The conditions of cash flows were as follows.

**(Cash flows from operating activities)**

Net cash provided by operating activities amounted to ¥24,022 million. This mainly reflected ¥36,163 million for profit before income taxes, ¥10,314 million for depreciation, ¥3,611 million for decrease in inventories, ¥13,506 million for gain on sale of investment securities, ¥6,284 million for increase in notes and accounts receivables - trade, and ¥4,868 million for income taxes paid.

**(Cash flows from investing activities)**

Net cash used in investing activities amounted to ¥9,489 million. This mainly reflected ¥21,157 million spent on the purchase of fixed assets, ¥3,506 million for the purchase of shares of subsidiaries and associates, and ¥3,030 million for the purchase of securities, proceeds from ¥16,275 million from the sale and redemption of investment securities, ¥1,016 million from the sale and redemption of securities, and ¥979 million from the sale of shares of subsidiaries and associates.

**(Cash flows from financing activities)**

Net cash used in financing activities amounted to ¥7,241 million. This mainly reflected spending of ¥3,891 million for repayment of long-term loans payable and ¥3,834 million for cash dividends paid.



**—Cash flow indicator trends—**

	FY2020	FY2021	FY2022	FY2023	FY2024
Equity Ratio (%)	52.9	53.3	53.4	54.8	58.0
Equity ratio at market value (%)	44.5	41.3	39.2	37.5	47.8
Ratio of interest-bearing debt to cash flows (%)	246.2	304.7	364.5	267.6	157.9
Interest coverage ratio (times)	73.1	71.7	60.8	74.4	126.5

Note: Equity ratio: (Net assets – Minority interests) / Total assets

Equity ratio at market value: Market capitalization / Total assets

Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows

Interest coverage ratio: Cash flows from operating activities / Interest expense

\* The consolidated financial figures constitute the basis for calculating these indicators.

\* Market capitalization is calculated by multiplying the closing stock price at the end of the period by the number of shares outstanding at the end of the period (after the deduction of treasury shares).

\* The basis for calculating the ratio of interest-bearing debt to cash flows is cash flows from operating activities in the consolidated statements of cash flows.

\* Interest-bearing debt includes all debts recorded on the consolidated balance sheets on which interest is paid.

\* The basis for interest expense is the amount of interest paid recorded in the consolidated statements of cash flows.

### **(3) Basic policy on profit distribution and dividends for the year ended March 31, 2024 and the year ending March 31, 2025**

Management considers returning profits to shareholders to be an important management issue. The Company determines the amounts of dividends by taking into consideration its business performance and future business environment, etc., with the aim of maintaining a consolidated dividend payout ratio of 30% or more, calculated by excluding "special and extraordinary income / loss from asset sales and other factors" while taking into consideration the strengthening of the corporate structure, future business development, and the business environment, as well as internal reserve.

Since the Company's performance for the fiscal year under review exceeded our forecast, we will make a proposal to the General Meeting of Shareholders for the appropriation of retained earnings of ¥38 per share, an increase of 10 yen from the previously announced forecast, in order to further return profits to our shareholders. The annual dividends, together with the interim dividend already paid, will be ¥66 per share. As a result, the consolidated dividend payout ratio is 19.5%. However, the consolidated dividend payout ratio calculated excluding the above-mentioned "income on the sale of cross-shareholdings as a special and extraordinary income / loss" is 30.3%. For details, please refer to the "Notice Concerning Distribution of Dividends from Surplus (Dividend Increase)" released today (May 14, 2024).

With regard to cash dividends for the year ending March 31, 2025, the Company plans to pay total cash dividends of ¥66 per share for the full year, the same amount as the fiscal year under review.

Furthermore, we have implemented a shareholder benefit program to express our gratitude for the daily support of our shareholders and to promote a better understanding of our company through the use of our products. In order to increase the attractiveness of investment in the Company's shares and to encourage more people to hold the Company's shares, the number of shares to be held for the shareholder benefit plan has been changed from "500 shares or more" to "200 shares or more," starting from shareholders recorded in the Company's shareholder registry as of March 31, 2024.

## **2. Basic Approach to the Selection of Accounting Standards**

The Group intends to prepare consolidated financial statements in conformity with the accounting principles and practices generally accepted in Japan (Japanese GAAP) for the time being, taking into consideration comparability of consolidated financial statements over time and comparability among companies.

The Group's policy is to respond to the application of the International Financial Reporting Standards (IFRS) in an appropriate manner, taking into consideration situations in Japan and abroad.

### 3. Consolidated Financial Statements

#### (1) Consolidated balance sheets

	(Millions of yen)	
	FY2023 (As of March 31, 2023)	FY2024 (As of March 31, 2024)
<b>Assets</b>		
Current assets		
Cash and deposits	36,815	45,594
Notes and accounts receivable - trade and contract assets	54,119	60,556
Merchandise and finished goods	20,918	23,185
Work in process	222	123
Raw materials and supplies	26,400	20,760
Other current assets	4,607	7,582
Allowance for doubtful accounts	(61)	(43)
Total current assets	143,021	157,759
Non-current assets		
Property, plant and equipment		
Buildings and structures	109,932	113,666
Accumulated depreciation	(63,187)	(66,282)
Buildings and structures, net	46,745	47,383
Machinery, equipment and vehicles	128,309	133,847
Accumulated depreciation	(107,139)	(111,681)
Machinery, equipment, and vehicles, net	21,170	22,166
Land	41,027	45,694
Construction in progress	1,741	5,646
Other	14,497	15,250
Accumulated depreciation	(11,715)	(11,734)
Other, net	2,782	3,516
Total property, plant, and equipment	113,467	124,407
Intangible assets	2,175	2,423
Investments and other assets		
Investment securities	77,254	90,618
Long-term loans receivable	40	121
Deferred tax assets	2,075	1,846
Retirement benefit assets	2,370	5,590
Other	4,492	4,208
Allowance for doubtful accounts	(320)	(296)
Total investments and other assets	85,914	102,088
Total non-current assets	201,557	228,919
Deferred assets	26	13
Total assets	344,606	386,692

(Millions of yen)

	FY2023 (As of March 31, 2023)	FY2024 (As of March 31, 2024)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	36,669	33,786
Short-term loans payable	17,572	18,873
Current portion of bonds	221	128
Income taxes payable	2,645	7,513
Accrued expenses	8,132	9,139
Refund liabilities	7,445	7,543
Provision for bonuses	764	909
Other current liabilities	5,161	6,510
Total current liabilities	78,613	84,403
Non-current liabilities		
Bonds payable	128	—
Convertible bond-type bonds with subscription rights to shares	25,038	25,020
Long-term loans payable	21,175	17,207
Deferred tax liabilities	17,673	22,468
Retirement benefit liabilities	3,881	3,808
Accrued retirement benefits for directors	406	379
Provision for share awards for directors (and other officers)	—	73
Other non-current liabilities	5,075	5,045
Total non-current liabilities	73,378	74,002
Total liabilities	151,992	158,406
<b>Net assets</b>		
Shareholders' equity		
Capital stock	12,240	12,240
Capital surplus	9,693	9,762
Retained earnings	128,965	151,492
Treasury shares	(1,287)	(1,317)
Total shareholders' equity	149,612	172,177
Accumulated other comprehensive income		
Unrealized holding gain (loss) on securities	36,462	46,122
Deferred gain (loss) on hedges	(23)	19
Foreign currency translation adjustments	2,161	3,131
Retirement benefit liability adjustments	473	2,663
Total accumulated other comprehensive income	39,074	51,937
Subscription rights to shares	226	221
Non-controlling interests	3,699	3,948
Total net assets	192,613	228,285
<b>Total liabilities and net assets</b>	<b>344,606</b>	<b>386,692</b>

**(2) Consolidated statements of income and comprehensive income****(Consolidated statements of income)**

(Millions of yen)

	FY2023 (From April 1, 2022 to March 31, 2023)	FY2024 (From April 1, 2023 to March 31, 2024)
Net sales	365,525	400,514
Cost of sales	285,452	306,513
Gross profit	80,073	94,000
Selling, general and administrative expenses		
Freight, sales commission and other expenses	23,707	24,337
Salaries and allowances	22,935	24,090
Retirement benefit expenses	549	649
Depreciation	1,491	1,526
Other	19,101	23,055
Total selling, general and administrative expenses	67,785	73,659
Operating income	12,288	20,340
Non-operating income		
Interest income	77	113
Dividend income	1,923	2,089
Rent income on fixed assets	227	179
Share of profit of entities accounted for using equity method	309	136
Foreign exchange gains	95	117
Other	833	698
Total non-operating income	3,468	3,335
Non-operating expenses		
Interest expenses	202	190
Cost of rent income	18	58
Share exchange related expenses	222	—
Other	496	147
Total non-operating expenses	940	396
Ordinary income	14,816	23,280
Extraordinary income		
Gain on sale of fixed assets	12	49
Gain on sale of investment securities	743	13,504
Gain on sale of businesses	—	350
Other	—	9
Total extraordinary income	756	13,913
Extraordinary expenses		
Loss on sale and disposal of fixed assets	228	238
Impairment loss	514	25
Loss on sale of shares of subsidiaries and associates	—	245
Loss of valuation of investment securities	82	324
Loss on plant closures	—	129
Other	36	67
Total extraordinary losses	862	1,030
Profit before income taxes	14,710	36,163
Income taxes - current	4,494	9,725
Income taxes - deferred	(132)	(203)
Total income taxes	4,362	9,522
Profit	10,347	26,641
Profit attributable to non-controlling interests	87	273
Profit attributable to owners of parent	10,260	26,367

**(Consolidated statements of comprehensive income)**

(Millions of yen)

	FY2023 (From April 1, 2022 to March 31, 2023)	FY2024 (From April 1, 2023 to March 31, 2024)
Profit	10,347	26,641
Other comprehensive income (loss)		
Unrealized holding gain (loss) on securities	6,059	9,753
Deferred gain (loss) on hedges	(113)	39
Foreign currency translation adjustments	1,176	926
Retirement benefit liability adjustments	4	2,189
Share of other comprehensive income of entities accounted for using equity method	5	63
Total other comprehensive income (loss)	7,133	12,972
Comprehensive income	17,481	39,614
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of parent	17,376	39,308
Comprehensive income (loss) attributable to non- controlling interests	105	305

**(3) Consolidated statements of changes in net assets**

FY2023 (From April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,240	11,307	121,817	(3,198)	142,166
Changes of items during period					
Dividends of surplus			(3,023)		(3,023)
Profit attributable to owners of parent			10,260		10,260
Change in scope of consolidation			(69)		(69)
Purchase of treasury shares				(2)	(2)
Disposal of treasury shares			(0)	34	34
Change due to share exchanges			(18)	1,878	1,860
Change in treasury shares of parent arising from transactions with non-controlling shareholders		(1,613)			(1,613)
Net changes of items other than shareholders' equity					
Total changes of items during period	—	(1,613)	7,148	1,911	7,446
Balance at end of current period	12,240	9,693	128,965	(1,287)	149,612

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized holding gain (loss) on securities	Deferred gain (loss) on hedges	Foreign currency translation adjustments	Retirement benefit liability adjustments	Total accumulated other comprehensive income			
Balance at beginning of current period	30,409	88	981	475	31,954	195	4,381	178,697
Changes of items during period								
Dividends of surplus								(3,023)
Profit attributable to owners of parent								10,260
Change in scope of consolidation								(69)
Purchase of treasury shares								(2)
Disposal of treasury shares								34
Change due to share exchanges								1,860
Change in treasury shares of parent arising from transactions with non-controlling shareholders								(1,613)
Net changes of items other than shareholders' equity	6,052	(111)	1,180	(1)	7,120	31	(682)	6,468
Total changes of items during period	6,052	(111)	1,180	(1)	7,120	31	(682)	13,915
Balance at end of current period	36,462	(23)	2,161	473	39,074	226	3,699	192,613

## FY2024 (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	12,240	9,693	28,965	(1,287)	149,612
Changes of items during period					
Dividends of surplus			(3,834)		(3,834)
Profit attributable to owners of parent			26,367		26,367
Change in scope of consolidation			(6)		(6)
Purchase of treasury shares				(448)	(448)
Disposal of treasury shares		50		417	467
Change due to share exchanges					—
Change in treasury shares of parent arising from transactions with non-controlling shareholders		18			18
Net changes of items other than shareholders' equity					
Total changes of items during period	—	68	22,526	(30)	22,564
Balance at end of current period	12,240	9,762	151,492	(1,317)	172,177

	Accumulated other comprehensive income					Subscription rights to shares	Non-controlling interests	Total net assets
	Unrealized holding gain (loss) on securities	Deferred gain (loss) on hedges	Foreign currency translation adjustment	Retirement benefit liability adjustments	Total accumulated other comprehensive income			
Balance at beginning of current period	36,462	(23)	2,161	473	39,074	226	3,699	192,613
Changes of items during period								
Dividends of surplus								(3,834)
Profit attributable to owners of parent								26,367
Change in scope of consolidation								(6)
Purchase of treasury shares								(448)
Disposal of treasury shares								467
Change due to share exchanges								—
Change in treasury shares of parent arising from transactions with non-controlling shareholders								18
Net changes of items other than shareholders' equity	9,659	43	970	2,189	12,862	(4)	249	13,107
Total changes of items during period	9,659	43	970	2,189	12,862	(4)	249	35,672
Balance at end of current period	46,122	19	3,131	2,663	51,937	221	3,948	228,285

**(4) Consolidated statements of cash flows**

(Millions of yen)

	FY2023 (From April 1, 2022 to March 31, 2023)	FY2024 (From April 1, 2023 to March 31, 2024)
<b>Operating Activities</b>		
Profit before income taxes	14,710	36,163
Depreciation	9,966	10,314
Increase (decrease) in net retirement benefit assets / liabilities	(132)	(178)
Increase (decrease) in provision for directors' retirement benefits	(50)	(27)
Increase (decrease) in provision for share awards for directors (and other officers)	—	73
Increase (decrease) in allowance for doubtful accounts	(65)	(44)
Impairment loss	514	25
Interest and dividend income	(2,001)	(2,202)
Interest expenses	202	190
Loss (gain) on sale of investment securities	(804)	(13,506)
Loss (gain) on valuation of investment securities	82	324
Foreign exchange losses (gains)	(93)	(51)
Equity in (earnings) losses of unconsolidated subsidiaries and affiliates	(309)	(136)
Loss (gain) on sale of fixed assets	46	(22)
Loss (gain) on sale of businesses	—	(350)
Loss on disposal of fixed assets	181	220
Loss (gain) on sale of shares of subsidiaries and associates	—	245
Loss on plant closures	—	129
Decrease (increase) in notes and accounts receivable - trade	(3,468)	(6,284)
Decrease (increase) in inventories	(7,524)	3,611
Increase (decrease) in notes and accounts payable - trade	2,555	(3,068)
Increase (decrease) in accrued consumption taxes	2,385	(148)
Decrease (increase) in other receivables	(598)	(668)
Increase (decrease) in other payables	1,290	2,120
Other, net	143	124
<b>Subtotal</b>	<b>17,031</b>	<b>26,852</b>
Interest and dividend income received	2,022	2,227
Interest expenses paid	(202)	(189)
Income taxes paid	(3,796)	(4,868)
<b>Net cash provided by (used in) operating activities</b>	<b>15,055</b>	<b>24,022</b>



(Millions of yen)

	FY2023 (From April 1, 2022 to March 31, 2023)	FY2024 (From April 1, 2023 to March 31, 2024)
<b>Investing Activities</b>		
Decrease (increase) in time deposits	(546)	(959)
Purchase of fixed assets	(7,835)	(21,157)
Proceeds from sale of fixed assets	1,205	409
Purchase of securities	(1,000)	(3,030)
Proceeds from sale and redemption of securities	2,114	1,016
Purchase of investment securities	(176)	(157)
Proceeds from sale and redemption of investment securities	1,593	16,275
Purchase of shares of subsidiaries and associates	—	(3,506)
Proceeds from sale of shares of subsidiaries and associates	—	979
Proceeds from sale of businesses	—	350
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(295)	—
Payments of loans receivable	(17)	(98)
Collection of loans receivable	13	13
Other, net	(81)	375
Net cash provided by (used in) investing activities	(5,026)	(9,489)
<b>Financing Activities</b>		
Net increase (decrease) in short-term loans payable	(2,713)	736
Proceeds from long-term loans payable	660	300
Repayment of long-term loans payable	(2,402)	(3,891)
Redemption of bonds	(91)	(221)
Purchase of treasury shares	(2)	(448)
Proceeds from sale of treasury shares	0	446
Cash dividends paid	(3,023)	(3,834)
Dividends paid to non-controlling interests	(19)	(37)
Repayments of finance lease obligations	(299)	(292)
Other, net	(511)	0
Net cash provided by (used in) financing activities	(8,402)	(7,241)
Effect of exchange rate changes on cash and cash equivalents	394	293
Net increase (decrease) in cash and cash equivalents	2,021	7,584
Cash and cash equivalents at beginning of period	31,215	33,157
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(78)	(13)
Cash and cash equivalents at end of period	33,157	40,728

**(5) Notes on consolidated financial information****(Segment information, etc.)****a. Segment information****1. Overview of reportable segments**

The Group's reportable segments are regularly reviewed by the Board of Directors using the segregated financial information available within each segment to determine the allocation of management resources and evaluate business results.

The Group consists of three main business units classified by product types—Flour Milling, Food and Other. Each business unit formulates business strategies and promotes business activities.

Accordingly, the Group has two reportable segments: Flour Milling and Food.

The Flour Milling segment covers wheat flour, bran, and buckwheat flour, while the Food segment covers wheat flour for home use, premixes, pasta, frozen foods, deli foods, and rice flour.

**2. Calculation methods for sales, profit (loss), assets, liabilities and other items by reportable segment**

The accounting method for reported business segments is the same as the method used to prepare the consolidated financial statements.

Profit figures reported for business segments are based on operating income. Inter-segment sales and transfers are based on prevailing market prices.

**3. Information on sales, profit (loss), assets, liabilities and other items by reportable segment and information on disaggregation of revenue**

**FY2023 (From April 1, 2022 to March 31, 2023)**

(Millions of yen)

	Reportable segments			Other	Total	Adjustments	Amounts recorded in consolidated financial statements
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	117,604	204,750	322,355	42,166	364,521	—	364,521
Other revenue	—	46	46	957	1,003	—	1,003
Net sales to external customers	117,604	204,796	322,401	43,123	365,525	—	365,525
Internal sales or transfers between segments	2,607	674	3,281	2,201	5,483	(5,483)	—
Total	120,212	205,471	325,683	45,325	371,009	(5,483)	365,525
Segment income	7,528	3,449	10,978	1,263	12,242	45	12,288
Segment assets	117,802	132,403	250,206	24,488	274,694	69,911	344,606
Other items							
Depreciation	2,792	5,553	8,346	1,190	9,536	430	9,966
Increase in property, plant and equipment and intangible assets	2,837	4,109	6,947	1,483	8,431	(75)	8,355

- Notes: 1. The "Other" column indicates businesses not included in the reportable segments, including pet food, health food, engineering, food service business, and real estate business.
2. Segment income adjustment of ¥45 million includes elimination of inter-segment transactions and corporate expenses.
3. Corporate assets included in adjustments of segment assets amounted to ¥70,028 million and mainly comprise the Company's surplus funds (cash and deposits, and securities) and property, plant and equipment concerning administrative operations.
4. Adjustments amounting to ¥(75) million for the increase in property, plant and equipment and intangible assets mainly relate to capital investment by the administrative departments and elimination of inter-segment transactions.
5. Segment income is adjusted to reflect operating income as recorded in the consolidated financial statements.
6. Depreciation expenses and an increase in property, plant and equipment and intangible assets include an increase in long-term prepaid expenses and amortization thereof.

7. The standards for allocation of fixed assets to segments are different from the standards for allocation of related depreciation.

**FY2024 (From April 1, 2023 to March 31, 2024)**

(Millions of yen)

	Reportable segments			Other	Total	Adjustments	Amounts recorded in consolidated financial statements
	Flour Milling	Food	Total				
Net sales							
Revenue from contracts with customers	125,316	226,615	351,931	47,574	399,506	—	399,506
Other revenue	—	46	46	961	1,008	—	1,008
Net sales to external customers	125,316	226,661	351,977	48,536	400,514	—	400,514
Internal sales or transfers between segments	3,099	1,233	4,332	4,462	8,795	(8,795)	—
Total	128,415	227,894	356,310	52,999	409,310	(8,795)	400,514
Segment income	9,186	8,354	17,541	2,799	20,340	0	20,340
Segment assets	123,403	143,311	266,715	27,113	293,828	92,863	386,692
Other items							
Depreciation	2,881	5,655	8,536	1,294	9,831	483	10,314
Increase in property, plant and equipment and intangible assets	7,014	7,304	14,319	1,385	15,704	6,448	22,153

- Notes: 1. The “Other” column indicates businesses not included in the reportable segments, including pet food, health food, engineering, food service business, and real estate business.
2. Segment income adjustment of ¥0 million includes elimination of inter-segment transactions and corporate expenses.
3. Corporate assets included in adjustments of segment assets amounted to ¥90,234 million and mainly comprise the Company’s surplus funds (cash and deposits, and securities) and property, plant and equipment concerning administrative operations.
4. Adjustments amounting to ¥6,448 million for the increase in property, plant and equipment and intangible assets mainly relate to capital investment by the administrative departments and elimination of inter-segment transactions.
5. Segment income is adjusted to reflect operating income as recorded in the consolidated financial statements.
6. Depreciation expenses and an increase in property, plant and equipment and intangible assets include an increase in long-term prepaid expenses and amortization thereof.
7. The standards for allocation of fixed assets to segments are different from the standards for allocation of related depreciation.

**(Per share information)**

	FY2023 (From April 1, 2022 to March 31, 2023)	FY2024 (From April 1, 2023 to March 31, 2024)
Net Assets per Share	¥2,421.48	¥2,874.28
Profit per share	¥132.16	¥338.20
Fully diluted profit per share	¥115.39	¥295.46

(Note) Basis for the calculation of profit per share and fully diluted profit per share is as follows.

		FY2023 (From April 1, 2022 to March 31, 2023)	FY2024 (From April 1, 2023 to March 31, 2024)
Profit per share			
Profit attributable to owners of parent	(Millions of yen)	10,260	26,367
Amount not attributable to common shareholders	(Millions of yen)	—	—
Amount pertaining to common stock	(Millions of yen)	10,260	26,367
Average number of shares of common stock in the fiscal year	(Thousands of shares)	77,633	77,964
Fully diluted profit per share			
Amount attributable to owners of parent	(Millions of yen)	(12)	(12)
<of which interest income (after deducting the amount equivalent to tax)>	(Millions of yen)	<(12)>	<(12)>
Increase in common stock	(Thousands of shares)	11,172	11,237
Summary of residual securities not included in calculation of fully diluted profit per share because of no dilutive effect		—	—

(Note) The Company has introduced a Board Benefit Trust (BBT) since the current consolidated fiscal year. Our shares held by the Custody Bank of Japan, Ltd. (Trust E Account) as the trust property of the said Board Benefit Trust (BBT) are included in treasury shares to be deducted from the calculation of, the average number of shares during the period in the calculation of Net Assets per Share (Yen), Profit per Share and Fully Diluted Profit per Share (Yen).

The average number of the Company's shares held by the Trust during the current consolidated fiscal year was 160,000 shares.

**(Important subsequent events)**

Not applicable.

Notes to consolidated statements of comprehensive income, lease transactions, financial instruments, securities, derivative transactions, retirement benefits, stock options, tax effect accounting, business combinations, and related party information are omitted because the need to disclose such information in the financial report is not considered significant.