

November 5, 2021

## Consolidated Financial Results (Japanese Accounting Standards) for the Six Months Ended September 30, 2021 (Q2 FY2021)

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 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 2810  
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 Scheduled date of commencement of dividend payment: December 6, 2021  
 Supplementary documents for quarterly results: Yes  
 Quarterly results briefing: Yes (for analysts and institutional investors)

(Amounts of less than one million yen are rounded to the nearest million yen.)

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2021 (April 1, 2021 – September 30, 2021)

#### (1) Consolidated Results of Operations (Accumulated Total)

(Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
September 30, 2021	124,127	0.4	9,032	(8.8)	10,336	16.9	7,211	625.2
September 30, 2020	123,685	–	9,906	–	8,838	–	994	–

(Note) Comprehensive income: 9,766 million yen (–%) for the six months ended September 30, 2021  
 74 million yen (–%) for the six months ended September 30, 2020

	Profit per share (basic)		Profit per share (diluted)	
	Yen		Yen	
Six months ended				
September 30, 2021	72.00		–	
September 30, 2020	9.87		–	

(Note) The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), effective from beginning of the first quarter of the fiscal year and the figures for the six months ended September 30, 2020 are figures after retrospective application of the standard and guidance. Therefore, year-on-year changes are not shown.

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Six months ended				
September 30, 2021	369,697	290,088	70.5	2,615.78
Year ended				
March 31, 2021	369,335	286,883	69.8	2,559.12

(Reference) Shareholders' equity: As of September 30, 2021: 260,804 million yen  
 As of March 31, 2021: 257,825 million yen

(Note) The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), effective from beginning of the first quarter of the fiscal year and the figures for the year ended March 31, 2021 are figures after retrospective application of the standard and guidance.

#### 2. Dividends

	Dividend per share				
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2021	–	23.00	–	23.00	46.00
Year ending March 31, 2022	–	23.00			
Year ending March 31, 2022 (forecasts)			–	23.00	46.00

(Note) Revisions to dividend forecasts published most recently: None

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2022 (April 1, 2021 – March 31, 2022)

(Percentage figures represent the changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending March 31, 2022	256,000	2.4	20,000	3.0	22,200	11.9	14,700	68.0	147.19

(Note) Revisions to financial forecasts published most recently: Yes

\* Notes

- (1) Changes of important subsidiaries during the period  
(changes of specific subsidiaries in accordance with changes in the scope of consolidation): None
- (2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies and changes or restatement of accounting estimates
  - (i) Changes in accounting policies caused by revision of accounting standards: Yes
  - (ii) Changes in accounting policies other than (i): None
  - (iii) Changes in accounting estimates: None
  - (iv) Restatement: None

(Note) Please refer to “2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” on page 13 of the Accompanying Materials for details.
- (4) Number of shares outstanding (common shares):
  - (i) Number of shares outstanding at end of period (including treasury shares)
 

As of September 30, 2021:	100,750,620 shares
As of March 31, 2021:	100,750,620 shares
  - (ii) Number of treasury shares at end of period
 

As of September 30, 2021:	1,046,536 shares
As of March 31, 2021:	2,816 shares
  - (iii) Average number of shares outstanding during the term
 

Six months ended September 30, 2021:	100,154,885 shares
Six months ended September 30, 2020:	100,748,979 shares

\* Quarterly consolidated financial results are not subject to a quarterly review by certified public accountants or audit corporations.

\* Explanations and other special notes concerning the appropriate use of business results forecasts

- The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.
- For other matters related to the forecasts, please refer to “(3) Information on the Future Outlook, Including Consolidated Business Results Forecasts” under “1. Qualitative Information on Results for the First Half Ended September 30, 2021” on page 6 of the accompanying materials.

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## 1. Qualitative Information on Results for the First Half Ended September 30, 2021

### (1) Details of Operating Results

With the COVID-19 pandemic dragging on amid resurgences triggered by new variants, the outlook remains uncertain. Under these conditions, House Foods Group launched its Seventh Medium-term Business Plan from April 2021. Under this Medium-term Business Plan, the Group will accelerate its transformation into a high quality company in terms of all “three responsibilities” (“For our customers,” “For our employees and their families,” and “For society”). It has also defined four value chains or VCs (the Spice VC, the Functional Ingredients VC, the Soybean VC and the Value Added Vegetable VC) as domains in which it will, create the value of “Healthy Life Through Foods” and will seek priority allocation of management resources to growing domains with the aim of achieving sustainable growth.

Net sales for the first six months ended September 30, 2021 increased mainly due to growth in the International Food Business and Other Food Related Business, which offset year-on-year declines in the Spice/Seasoning/Processed Food Business and the Health Food Business. Operating profit decreased in the absence of the special demand arising from at-home consumption in the same period a year earlier in the Spice/Seasoning/Processed Food Business, which offset a boost to profit because the goodwill which arose in the Restaurant Business when Ichibanya Co., Ltd. was made into a consolidated subsidiary was fully amortized the previous fiscal year. Ordinary profit and profit attributable to owners of parent both increased, bolstered by the recording of a gain on sale of investment securities in addition to decreases in the share of loss of entities accounted for using equity method and impairment losses which were recorded in the same period a year earlier.

As a result, the Group’s operating results were as shown below.

	Six months ended September 30, 2021	
	Amount (million yen)	Year-on-year change (%)
Net sales	124,127	100.4
Operating profit	9,032	91.2
Ordinary profit	10,336	116.9
Profit attributable to owners of parent	7,211	725.2

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) and the Implementation Guidance on Accounting Standard for Revenue Recognition (ASBJ Guidance No. 30, March 26, 2021), effective from beginning of the first quarter of the fiscal year. Regarding application of said accounting standard and implementation guidance, the Company applied the new policy retrospectively to all prior periods in accordance with the principle treatment set forth in Paragraph 84 of the Accounting Standard for Revenue Recognition. Comparative analysis with the first half ended September 30, 2020 and the fiscal year ended March 31, 2021 are therefore based on figures after retrospective application of said standard and implementation guidance. Please refer to “2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes to Quarterly Consolidated Financial Statements (Changes in Accounting Policies)” for details.

The following is an overview of results by segment (before the elimination of inter-segment transactions).

Segment	Consolidated net sales		Consolidated operating profit Segment profit (loss)	
	Amount (million yen)	Year-on-year change (%)	Amount (million yen)	Year-on-year change (%)
Spice / Seasoning / Processed Food Business	56,965	96.2	5,402	67.9
Health Food Business	7,039	87.0	(333)	–
International Food Business	19,440	106.4	3,227	108.6
Restaurant Business	22,106	102.0	526	–
Other Food Related Business	22,867	110.1	799	86.8
Subtotal	128,417	100.3	9,621	92.9
Adjustment (elimination)	(4,290)	–	(589)	–
Total	124,127	100.4	9,032	91.2

(Note) 1. Adjustment (elimination) comprises profit or loss not distributed to segments and the elimination of inter-segment transactions.

### Spice / Seasoning / Processed Food Business

The Spice/Seasoning/Processed Food Business segment posted declines in sales and profit in the absence of special demand arising from at-home consumption in the same period a year earlier and also due to higher advertising expenses, depreciation and amortization, and other costs.

In the products for household use business of House Foods Corporation, as the COVID-19 pandemic dragged on and changes in customer needs became apparent, efforts were made to propose new value, including the promotion of a shift towards microwaveable retort pouched products to increase convenience and reduce environmental impact, in addition to enhancement of menu varieties and a review of product promotions.

The business of products for food service use conducted by House Foods Corporation and Gaban Co., Ltd. posted higher net sales than a year earlier despite continued challenging conditions as people refrained from going out and restaurants shortened their operating hours. Sun House Foods Corporation, which is charge of manufacturing retort-pouched products, put a production line for large-volume products into operation in July 2021.

As a result of the above, sales in the Spice/Seasoning/Processed Food Business stood at 56,965 million yen, down 3.8% year on year, and operating profit was 5,402 million yen, down 32.1% year on year. As a result, the ratio of operating profit to net sales was 9.5%, declining 4.0 percentage point from the same period of the previous fiscal year.

The Group decided to transfer part of the business of Malony Co., Ltd. to House Foods Corporation with effect from April 1, 2022. Please refer to “Notice of Partial Business Transfer to House Foods Corporation by Malony Co., Ltd.” issued on September 30, 2021, for further details.

### Health Food Business

The Health Food Business pushed ahead with restructuring, including integrating House Wellness Foods Corporation’s sales capabilities for products for household use in Japan into House Foods Corporation in April, which was the start of the period under review. However, the segment continued to face a challenging business environment as the effects of COVID-19 dragged on and reported decreased sales and an operating loss.

After plunging sharply the year before, sales of the *Ukon No Chikara* series fell year on year, with further resurgences of COVID-19 at the beginning of the period under review limiting opportunities to drink out for a prolonged period of time. Meanwhile, sales of vitamin products such as *C1000* and *Ichinichibun No Vitamin* decreased, reflecting the impact of withdrawal from unprofitable business in the previous year. However, the effects of restructuring such as the diversification of sales channels through the integration of sales capabilities were apparent in some areas.

As a result of the above, sales in the Health Food Business declined 13.0% year on year, to 7,039 million yen. The implementation of cost reductions and expeditious cost control was not enough to offset the impact of the decline in sales

and the segment reported an operating loss of 333 million yen, representing a decrease of 281 million yen year on year. Consequently, the ratio of operating profit to net sales was -4.7%, down 4.1 percentage point from a year ago.

**International Food Business** Period covered by the consolidated financial statements: Mainly from January to June 2021

The International Food Business maintained business growth and posts gains in sales and profits in the three priority areas (United States, China and ASEAN).

The tofu business in the United States achieved growth in sales and profit due to improvement in the production efficiency of the new lines at the Los Angeles Plant, which went into operation the previous year, offsetting the impact of rising prices for raw materials and packaging.

The curry business in China recorded decreased sales of products for household use in the absence of the special demand arising from at-home consumption in the same period a year earlier. However, sales of products for food service use not only recovered from the previous year when they were affected by the COVID-19 crisis but surpassed pre-COVID levels. As a result, overall sales increased. Operating income fell compared to the same period a year earlier, when the curry business benefited from special demand coupled with lower costs due to restrictions on business activities.

The functional beverage business in Thailand posted higher sales and profits, partly due to a lighter tax burden in addition to the encouragement of deliveries to the traditional market as a result of government measures to boost consumption.

As a result of the above, sales in the International Food Business rose 6.4% year on year, to 19,440 million yen, and operating profit increased 8.6%, to 3,227 million yen. Consequently, the ratio of operating profit to net sales was 16.6%, improving 0.3 percentage point from a year earlier.

**Restaurant Business** Periods covered by the consolidated financial statements: From March to August 2021 for Ichibanya Co., Ltd. and from January to June 2021 for overseas subsidiaries

The business environment surrounding the Restaurant Business segment remained challenging, with the declaration of a state of emergency resulting in restaurants being called upon to shorten their operating hours for a prolonged period in an increasing number of regions.

Ichibanya Co., Ltd. continued to make efforts to operate in such a way that made customers feel safe and focused on the expansion of restaurants offering delivery services and the promotion of takeout using web advertising, to tap into demand. At restaurants overseas, business generally improved from the dramatic slump seen the same period a year earlier, although conditions varied from region to region.

As a result of the above, sales in the Restaurant Business amounted to 22,106 million yen, rising 2.0% year on year. Operating profit grew 1,969 million yen year on year, reaching 526 million yen. This was partly due to the effect of increased sales and partly because the goodwill which arose when Ichibanya Co., Ltd. was made into a consolidated subsidiary was fully amortized the previous fiscal year. Consequently, the ratio of operating profit to net sales was 2.4%, rising 9.0 percentage points from a year earlier.

### **Other Food Related Business**

Delica Chef Corporation posted gains in sales and profit as productivity improved on the back of brisk sales of prepared food and baked bread.

Vox Trading Co., Ltd. posted higher sales due to an increase in successful tenders for MA rice (minimum access rice). However, profit was lower, reflecting sluggish food service demand as the effects of COVID-19 dragged on.

As a result of the above, sales in Other Food Related Business increased 10.1% year on year, to 22,867 million yen, and operating profit declined 13.2% year on year, to 799 million yen. Consequently, the ratio of operating profit to net sales was 3.5%, declining 0.9 percentage point from a year ago.

## **(2) Details of Financial Position**

The consolidated financial situation at the end of the first half of the fiscal year under review is as follows:

Total assets were 369,697 million yen, an increase of 362 million yen from the end of the previous consolidated fiscal year.

Current assets fell 6,996 million yen, to 149,943 million yen mainly due to decreases in cash and deposits and securities, which offset increases in notes and accounts receivable-trade and merchandise and finished goods. Non-current assets increased 7,358 million yen, to 219,753 million yen, mainly due to increases in investment securities and software, offsetting decreases in construction in progress and software in progress.

Liabilities stood at 79,609 million yen, a decrease of 2,843 million yen from the end of the previous consolidated fiscal year.

Current liabilities were down 2,416 million yen, to 49,494 million yen mainly due to decreases in accounts payable - other and income taxes payable, despite an increase in notes and accounts payable - trade. Non-current liabilities declined 427 million yen, to 30,115 million yen, chiefly due to a decrease in deferred tax liabilities.

Net assets stood at 290,088 million yen, an increase of 3,205 million yen from the end of the previous consolidated fiscal year, mainly because of an increase in retained earnings thanks to profit attributable to owners of parent and an increase in foreign currency translation adjustment, offsetting an increase in treasury shares due to the purchase of treasury shares and a decrease in remeasurements of defined benefit plans.

As a result, the equity ratio stood at 70.5% (compared with 69.8% at the end of the previous fiscal year), and net assets per share amounted to 2,615.78 yen (2,559.12 yen at the end of the previous fiscal year) at the end of the first half of the fiscal year under review.

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), effective from beginning of the first quarter and applied this accounting policy to all prior periods.

### (3) Information on the Future Outlook, Including Consolidated Business Results Forecasts

In light of business progress during the first six months under review, the most recent operating environment and other factors, the Company revised its consolidated business results forecasts for the fiscal year ending March 31, 2022 announced on May 11, 2021 as shown below.

- Revision to consolidated financial forecast for fiscal year ending March 2022 (April 1, 2021 to March 31, 2022)

	Previous forecast	Revised forecast	Increase/ Decrease	Rate of change	FY2021 results (after application of the Accounting Standard)
	Million yen	Million yen	Million yen	%	Million yen
Net sales	259,000	256,000	(3,000)	(1.2)	250,066
Operating profit	20,000	20,000	-	-	19,413
Ordinary profit	21,500	22,200	+700	+3.3	19,837
Profit attributable to owners of parent	13,000	14,700	+1,700	+13.1	8,752

- Segment net sales

	Previous forecast	Revised forecast	Increase/ Decrease	Rate of change	FY2021 results (after application of the Accounting Standard)
	Million yen	Million yen	Million yen	%	Million yen
Spice / Seasoning / Processed Food Business	121,700	119,300	(2,400)	(2.0)	120,380
Health Food Business	17,500	15,700	(1,800)	(10.3)	15,281
International Food Business	36,100	39,000	+2,900	+8.0	34,056
Restaurant Business	49,300	45,700	(3,600)	(7.3)	44,698
Other Food Related Business	42,400	44,600	+2,200	+5.2	43,922
Adjustment	(8,000)	(8,300)	(300)	-	(8,271)

- Segment operating profit

	Previous forecast	Revised forecast	Increase/ Decrease	Rate of change	FY2021 results (after application of the Accounting Standard)
	Million yen	Million yen	Million yen	%	Million yen
Spice / Seasoning / Processed Food Business	14,000	13,700	(300)	(2.1)	15,614
Health Food Business	100	100	-	-	(396)
International Food Business	4,700	5,300	+600	+12.8	4,584
Restaurant Business	2,600	1,400	(1,200)	(46.2)	(660)
Other Food Related Business	1,500	1,600	+100	+6.7	1,770
Adjustment	(2,900)	(2,100)	+800	-	(1,498)

(Note) Statements contained in this document, including the forecasts above, are based on information available on November 5, 2021, and actual results may differ from the forecasts. The Company shall make prompt disclosure if the need to revise the business results forecasts arises in the future.



## 2. Quarterly Consolidated Financial Statements and Key Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of previous fiscal year (As of March 31, 2021)	End of first half of the fiscal year under review (As of September 30, 2021)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	78,905	71,201
Notes and accounts receivable - trade	43,104	45,374
Securities	9,515	5,503
Merchandise and finished goods	12,634	13,655
Work in process	2,301	2,733
Raw materials and supplies	5,185	5,614
Other	5,472	5,954
Allowance for doubtful accounts	(177)	(91)
<b>Total current assets</b>	<b>156,939</b>	<b>149,943</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	33,504	33,837
Machinery, equipment and vehicles, net	17,639	19,818
Land	31,940	31,782
Lease assets, net	1,586	1,714
Construction in progress	3,138	1,502
Other, net	2,134	2,059
<b>Total property, plant and equipment</b>	<b>89,942</b>	<b>90,714</b>
<b>Intangible assets</b>		
Goodwill	312	290
Trademark right	19,370	19,111
Software	1,554	3,837
Contract-related intangible assets	19,802	19,402
Software in progress	2,268	729
Other	714	746
<b>Total intangible assets</b>	<b>44,021</b>	<b>44,114</b>
<b>Investments and other assets</b>		
Investment securities	60,268	66,172
Long-term loans receivable	1	1
Deferred tax assets	782	620
Long-term time deposits	1,000	1,000
Retirement benefit asset	9,947	10,553
Distressed receivables	638	634
Long-term deposits	1,080	1,074
Other	6,609	6,753
Allowance for doubtful accounts	(1,892)	(1,883)
<b>Total investments and other assets</b>	<b>78,433</b>	<b>84,925</b>
<b>Total non-current assets</b>	<b>212,396</b>	<b>219,753</b>
<b>Total assets</b>	<b>369,335</b>	<b>369,697</b>

(Million yen)

	End of previous fiscal year (As of March 31, 2021)	End of first half of the fiscal year under review (As of September 30, 2021)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	16,781	19,031
Electronically recorded obligations - operating	1,847	1,684
Short-term borrowings	3,650	3,772
Lease obligations	519	620
Accounts payable - other	11,403	8,008
Income taxes payable	3,814	3,479
Provision for bonuses	476	483
Provision for bonuses for directors (and other officers)	80	36
Provision for shareholder benefit program	92	95
Asset retirement obligations	12	4
Other	13,238	12,280
<b>Total current liabilities</b>	<b>51,910</b>	<b>49,494</b>
<b>Non-current liabilities</b>		
Long-term borrowings	96	197
Lease obligations	1,142	1,156
Long-term accounts payable - other	215	167
Deferred tax liabilities	21,976	21,388
Retirement benefit liability	1,948	2,016
Asset retirement obligations	738	815
Long-term guarantee deposits	3,984	3,904
Other	442	473
<b>Total non-current liabilities</b>	<b>30,542</b>	<b>30,115</b>
<b>Total liabilities</b>	<b>82,452</b>	<b>79,609</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	9,948	9,948
Capital surplus	22,829	22,829
Retained earnings	199,623	204,516
Treasury shares	(11)	(3,566)
<b>Total shareholders' equity</b>	<b>232,389</b>	<b>233,728</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	20,364	20,509
Deferred gains or losses on hedges	(34)	41
Foreign currency translation adjustment	(356)	1,565
Remeasurements of defined benefit plans	5,462	4,961
<b>Total accumulated other comprehensive income</b>	<b>25,437</b>	<b>27,076</b>
<b>Non-controlling interests</b>	<b>29,058</b>	<b>29,284</b>
<b>Total net assets</b>	<b>286,883</b>	<b>290,088</b>
<b>Total liabilities and net assets</b>	<b>369,335</b>	<b>369,697</b>

## (2) Quarterly Consolidated Statements of Income and Comprehensive Income

(First six-month period)

(Million yen)

	First six-month period of previous fiscal year (April 1, 2020 - September 30, 2020)	First six-month period of the fiscal year under review (April 1, 2021 - September 30, 2021)
<b>Net sales</b>	123,685	124,127
<b>Cost of sales</b>	75,829	77,553
<b>Gross profit</b>	47,856	46,575
<b>Selling, general and administrative expenses</b>	37,950	37,543
<b>Operating profit</b>	9,906	9,032
<b>Non-operating income</b>		
Interest income	106	103
Dividend income	370	371
Rental income from buildings	394	425
Foreign exchange gains	–	100
Subsidy income	35	525
Other	209	292
<b>Total non-operating income</b>	1,114	1,816
<b>Non-operating expenses</b>		
Interest expenses	27	24
Rental expenses	317	348
Foreign exchange losses	265	–
Share of loss of entities accounted for using equity method	1,421	27
Other	152	114
<b>Total non-operating expenses</b>	2,182	512
<b>Ordinary profit</b>	8,838	10,336
<b>Extraordinary income</b>		
Gain on sale of non-current assets	0	62
Gain on sale of investment securities	33	2,031
Gain on sale of restaurants	50	45
Other	–	6
<b>Total extraordinary income</b>	83	2,144
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	11	0
Loss on retirement of non-current assets	59	110
Loss on sale of investment securities	13	–
Loss on valuation of investment securities	3	14
Impairment losses	9,264	137
Other	4	0
<b>Total extraordinary losses</b>	9,354	261
<b>Profit (loss) before income taxes</b>	(433)	12,219
<b>Income taxes</b>	967	3,981
<b>Profit (loss)</b>	(1,400)	8,238
Profit attributable to		
<b>Profit attributable to owners of parent</b>	994	7,211
<b>Profit (loss) attributable to non-controlling interests</b>	(2,394)	1,027

(Million yen)

	First six-month period of previous fiscal year (April 1, 2020 - September 30, 2020)	First six-month period of the fiscal year under review (April 1, 2021 - September 30, 2021)
<b>Other comprehensive income</b>		
Valuation difference on available-for-sale securities	2,242	(98)
Deferred gains or losses on hedges	(4)	86
Foreign currency translation adjustment	(679)	2,018
Remeasurements of defined benefit plans, net of tax	(44)	(443)
Share of other comprehensive income of entities accounted for using equity method	(41)	(36)
<b>Total other comprehensive income</b>	<u>1,474</u>	<u>1,528</u>
<b>Comprehensive income</b>	<u>74</u>	<u>9,766</u>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,434	8,850
Comprehensive income attributable to non-controlling interests	(2,360)	916

### (3) Consolidated Statements of Cash Flows

(Million yen)

	First six-month period of previous fiscal year (April 1, 2020 - September 30, 2020)	First six-month period of the fiscal year under review (April 1, 2021 - September 30, 2021)
<b>Cash flows from operating activities</b>		
Profit (loss) before income taxes	(433)	12,219
Depreciation	5,016	5,234
Amortization of goodwill	1,708	22
Impairment losses	9,264	137
Share of (profit) loss of entities accounted for using equity method	1,421	27
Loss (gain) on valuation of investment securities	3	14
Increase (decrease) in allowance for doubtful accounts	9	(95)
Increase (decrease) in provision for bonuses for directors (and other officers)	(40)	(43)
Increase (decrease) in provision for shareholder benefit program	5	4
Increase (decrease) in net defined benefit liability	35	51
Interest and dividend income	(476)	(473)
Interest expenses	27	24
Foreign exchange losses (gains)	195	(78)
Loss (gain) on sale of investment securities	(20)	(2,031)
Loss (gain) on sale of non-current assets	11	(62)
Loss on retirement of non-current assets	59	110
Loss (gain) on sale of restaurants	(50)	(45)
Decrease (increase) in trade receivables	771	(2,056)
Decrease (increase) in inventories	(2,144)	(1,759)
Increase (decrease) in trade payables	308	2,027
Increase (decrease) in accounts payable - bonuses	(146)	7
Increase (decrease) in long-term guarantee deposits	(1,571)	(81)
Decrease (increase) in other assets	(407)	(1,573)
Increase (decrease) in other liabilities	(2,219)	(1,945)
<b>Subtotal</b>	<b>11,327</b>	<b>9,637</b>
Interest and dividend income received	469	457
Interest paid	(23)	(14)
Income taxes paid	(4,053)	(4,565)
<b>Net cash provided by (used in) operating activities</b>	<b>7,721</b>	<b>5,514</b>

(Million yen)

	First six-month period of previous fiscal year (April 1, 2020 - September 30, 2020)	First six-month period of the fiscal year under review (April 1, 2021 - September 30, 2021)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,101)	(1,473)
Proceeds from withdrawal of time deposits	430	744
Purchase of securities	(1,000)	(2,000)
Proceeds from sale of securities	2,000	6,000
Purchase of property, plant and equipment	(4,802)	(5,231)
Proceeds from sale of property, plant and equipment	3	345
Gain on sale of restaurants	126	59
Purchase of intangible assets	(1,254)	(1,345)
Purchase of investment securities	(2,028)	(7,265)
Proceeds from sale of investment securities	2,000	2,084
Proceeds from divestments	8	2
<b>Net cash provided by (used in) investing activities</b>	<b>(5,617)</b>	<b>(8,080)</b>
<b>Cash flows from financing activities</b>		
Repayments of short-term borrowings	(19,761)	(19,635)
Proceeds from short-term borrowings	20,646	19,716
Repayments of lease obligations	(259)	(336)
Repayments of long-term borrowings	-	(30)
Proceeds from long-term borrowings	-	165
Redemption of bonds	(13)	-
Purchase of treasury shares	(2)	(3,583)
Purchase of treasury shares of subsidiaries	(1)	(97)
Dividends paid	(2,317)	(2,317)
Dividends paid to non-controlling interests	(635)	(634)
<b>Net cash provided by (used in) financing activities</b>	<b>(2,340)</b>	<b>(6,751)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>(433)</b>	<b>835</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(669)</b>	<b>(8,481)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>69,870</b>	<b>78,343</b>
<b>Cash and cash equivalents at end of period</b>	<b>69,201</b>	<b>69,862</b>

#### **(4) Notes to Quarterly Consolidated Financial Statements**

##### Notes Relating to Assumptions for the Going Concern

Not applicable.

##### Notes for Case Where Shareholders' Equity underwent Significant Changes in Value

The Company completed the purchase of 1,051,700 treasury shares based on a resolution at the meeting of the Board of Directors held on May 11, 2021. As a result, treasury shares increased by 3,555 million yen during the first six months under review, and treasury shares amounted to 3,566 million yen as of September 30, 2021.

##### Application of Particular Accounts Procedures to the Preparation of Quarterly Consolidated Financial Statements

###### (Calculation of tax expenses)

The Company calculates tax expenses by reasonably estimating the effective tax rate after applying tax effect accounting to profit before income taxes for the consolidated fiscal year and multiplying profit before income taxes for the first half under review by the estimated effective tax rate.

However, if the calculation of tax expenses using the estimated effective tax rate results in a markedly unreasonable outcome, tax expenses are calculated by using the statutory effective tax rate after adding and subtracting important differences that do not fall under temporary differences to and from profit before income taxes.

##### Changes in Accounting Policies

The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), effective from the beginning of the first quarter and adopted the policy of recognizing as revenue the amount expected to be received upon exchange of goods or services when it transfers control of the promised goods or services to the customer.

As a result, in the case of sale with a right of return, revenue for goods expected to be returned is not recognized at the point of sale and instead revenue is reduced to reflect the expected value of returns and a refund liability is recognized in accordance with the provisions on variable consideration. In addition, the Company deducts from net sales a portion of sales promotion expenses which were previously recorded as selling, general and administrative expenses.

This change in accounting policy is applied retrospectively, in principle, and quarterly consolidated financial statements and consolidated financial statements for the previous year are after retrospective application.

A comparison of consolidated financial statements for the previous fiscal year after retrospective application compared with before shows that merchandise and finished goods increased by 30 million yen and deferred tax assets increased by 155 million yen, accounts payable-other decreased by 6,904 million yen, other current liabilities increased by 7,486 million yen, deferred tax liabilities increased by 10 million yen and the balance of retained earnings at the beginning of the previous period decreased by 340 million yen.

A comparison of financial statements for the first six-month period of the previous fiscal year after retrospective application compared with before shows that net sales decreased by 16,405 million yen, costs of sales decreased by 1,467 million yen, and selling, general administrative expenses decreased by 14,967 million yen, whilst operating profit, ordinary profit, profit before income taxes and profit each increased by 29 million yen.

## Additional Information

(Impacts of COVID-19 on accounting estimates)

In the Company's judgment, the situation does not yet merit any significant change in the assumptions underlying accounting estimates made the previous fiscal year but that uncertainty surrounding the impact of COVID-19 on society and economic activity is likely to persist. When considering impairment losses in relation to the non-current assets pertaining to the Health Food Business and trademark right and contract-related intangible assets which arose on consolidation of Ichibanya Co., Ltd., the Company adopted certain assumptions about the impact of COVID-19. The Group's financial position and operating results may, therefore, be affected in the event of even greater changes than those currently assumed.

## Segment Information

I. First six-month period of previous fiscal year (April 1, 2020 - September 30, 2020)

1. Information on net sales and profits or losses by reported segment

(Million yen)

	Reported segments						Other	Total	Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Spice / Seasoning / Processed Food Business	Health Food Business	International Food Business	Restaurant Business	Other Food Related Business	Total				
Net sales										
Sales – outside customers	56,909	7,898	18,200	21,640	19,023	123,671	–	123,671	14	123,685
Sales and transfer – inter-segment	2,291	196	65	28	1,739	4,318	–	4,318	(4,318)	–
Total	59,200	8,094	18,265	21,668	20,762	127,988	–	127,988	(4,304)	123,685
Segment profit (loss)	7,957	(52)	2,973	(1,443)	921	10,356	–	10,356	(450)	9,906

(Note) 1. The details of the adjustments listed are as follows:

(1) Sales-outside customers are mainly real estate rental revenues recorded by the Company.

(2) "Segment profit (loss)" includes a profit of -450 million yen of the Company and House Business Partners Corporation, which is not distributed to business segments.

(Note) 2. "Segment profit" has been adjusted, with operating profit recorded in the consolidated financial statements.

2. Information on impairment losses on non-current assets and goodwill by reportable segment

(Important impairment losses on non-current assets)

During the first six months under review, the Company recognized an impairment loss of 9,128 million yen relating to the goodwill and other intangible assets which arose when the Company made Ichibanya Co., Ltd. into a consolidated subsidiary, and an impairment loss of 136 million yen associated with decline in the profitability of restaurant assets, etc. in the Restaurant Business segment.

(Significant fluctuation in the amount of goodwill)

There was significant fluctuation in the amount of goodwill in the Restaurant Business segment due to the recognition of an impairment loss relating to goodwill. The decrease in goodwill as a result is 854 million yen. The amount stated in (Important impairment loss on non-current assets) above includes impairment loss relating to goodwill.



II. First six-month period of the fiscal year under review (April 1, 2021 - September 30, 2021)

1. Information on net sales and profits or losses by reported segment

(Million yen)

	Reported segments						Other	Total	Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Spice / Seasoning / Processed Food Business	Health Food Business	International Food Business	Restaurant Business	Other Food Related Business	Total				
Net sales										
Sales – outside customers	54,630	6,885	19,369	22,047	21,159	124,090	–	124,090	37	124,127
Sales and transfer – inter-segment	2,335	154	71	58	1,708	4,327	–	4,327	(4,327)	–
Total	56,965	7,039	19,440	22,106	22,867	128,417	–	128,417	(4,290)	124,127
Segment profit (loss)	5,402	(333)	3,227	526	799	9,621	–	9,621	(589)	9,032

(Note) 1. The details of the adjustments listed are as follows:

(1) Sales-outside customers are mainly real estate rental revenues recorded by the Company.

(2) “Segment profit (loss)” includes a profit of -589 million yen of the Company and House Business Partners Corporation, which is not distributed to business segments.

(Note) 2. “Segment profit” has been adjusted, with operating profit recorded in the consolidated financial statements.

2. Information on impairment losses on non-current assets and goodwill by reportable segment

(Important impairment losses on non-current assets)

In the first half of the consolidated fiscal year under review, the Company recorded an impairment loss of 137 million yen associated with a fall in profitability of store assets, etc. in the Restaurant Business segment.

3. Matters related to change in reporting segments

Since the Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), effective from the beginning of the first quarter, and has changed its accounting procedures for revenue recognition as described in Changes in Accounting Policies, the Company has also changed its methods for measuring segment profit or loss accordingly.

Segment information for the first six-month period of the previous fiscal year has been restated to reflect the change in methods for measuring segment profit or loss.

### 3. Supplementary Information

The Company has applied the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), effective from beginning of the first quarter and the figures from the first quarter of the fiscal year ended March 31, 2021 are figures after retrospective application of the standard and guidance. Therefore, year-on-year changes are not shown.

#### (1) Business Results

##### Consolidated

(Million yen)

	First half of FY2020		First half of FY2021		FY2020		FY2021 Revised Forecast	
	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Net sales	123,685	–	124,127	100.4%	250,066	–	256,000	102.4%
Operating profit	9,906	–	9,032	91.2%	19,413	–	20,000	103.0%
Ordinary profit	8,838	–	10,336	116.9%	19,837	–	22,200	111.9%
Profit attributable to owners of parent	994	–	7,211	725.2%	8,752	–	14,700	168.0%
Comprehensive income	74	–	9,766	13,208.0%	–	–	–	–

##### Net sales by business segment

Net sales	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Spice / Seasoning / Processed Food Business	59,200	–	56,965	96.2%	120,380	–	119,300	99.1%
Health Food Business	8,094	–	7,039	87.0%	15,281	–	15,700	102.7%
International Food Business	18,265	–	19,440	106.4%	34,056	–	39,000	114.5%
Restaurant Business	21,668	–	22,106	102.0%	44,698	–	45,700	102.2%
Other Food Related Business	20,762	–	22,867	110.1%	43,922	–	44,600	101.5%
Adjustment	(4,304)	–	(4,290)	–	(8,271)	–	(8,300)	–

##### Operating profit by business segment

Operating profit	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Spice / Seasoning / Processed Food Business	7,957	–	5,402	67.9%	15,614	–	13,700	87.7%
Health Food Business	(52)	–	(333)	–	(396)	–	100	–
International Food Business	2,973	–	3,227	108.6%	4,584	–	5,300	115.6%
Restaurant Business	(1,443)	–	526	–	(660)	–	1,400	–
Other Food Related Business	921	–	799	86.8%	1,770	–	1,600	90.4%
Adjustment	(450)	–	(589)	–	(1,498)	–	(2,100)	–

#### (2) Number of Group Companies

	First half of FY2020	First half of FY2021	FY2020
Consolidated subsidiaries	36	37	37
Japan	14	15	15
Overseas	22	22	22
Equity-method affiliate	5	5	5
Japan	2	2	2
Overseas	3	3	3

### (3) Consolidated Statements of Income

#### 1. Consolidated Statements of Income

(Million yen)

	First half of FY2020		First half of FY2021		Year-on-year change	
	Amount	Percentage	Amount	Percentage	Amount	Rate of change
<b>Net sales</b>	<b>123,685</b>	<b>100.0%</b>	<b>124,127</b>	<b>100.0%</b>	<b>442</b>	<b>0.4%</b>
<By business segment>						
Spice / Seasoning / Processed Food Business	59,200	47.9%	56,965	45.9%	(2,235)	(3.8%)
Health Food Business	8,094	6.5%	7,039	5.7%	(1,055)	(13.0%)
International Food Business	18,265	14.8%	19,440	15.7%	1,175	6.4%
Restaurant Business	21,668	17.5%	22,106	17.8%	438	2.0%
Other Food Related Business	20,762	16.8%	22,867	18.4%	2,105	10.1%
Adjustment	(4,304)	(3.5%)	(4,290)	(3.5%)	14	–
Cost of sales	75,829	61.3%	77,553	62.5%	1,723	2.3%
Selling, general and administrative expenses	37,950	30.7%	37,543	30.2%	(407)	(1.1%)
Advertising expenses	3,516	2.8%	4,134	3.3%	618	17.6%
Transportation and storage costs	5,439	4.4%	5,302	4.3%	(137)	(2.5%)
Sales commission	53	0.0%	58	0.0%	5	9.5%
Promotion expenses	1,128	0.9%	1,474	1.2%	346	30.7%
Personnel expenses	14,151	11.4%	13,878	11.2%	(273)	(1.9%)
Research and development expenses	2,039	1.6%	2,134	1.7%	96	4.7%
Amortization of goodwill	1,708	1.4%	22	0.0%	(1,686)	(98.7%)
Other	9,915	8.0%	10,540	8.5%	625	6.3%
<b>Operating profit</b>	<b>9,906</b>	<b>8.0%</b>	<b>9,032</b>	<b>7.3%</b>	<b>(874)</b>	<b>(8.8%)</b>
Non-operating income	1,114	0.9%	1,816	1.5%	702	63.0%
Non-operating expenses	2,182	1.8%	512	0.4%	(1,670)	(76.5%)
<b>Ordinary profit</b>	<b>8,838</b>	<b>7.1%</b>	<b>10,336</b>	<b>8.3%</b>	<b>1,498</b>	<b>16.9%</b>
Extraordinary income	83	0.1%	2,144	1.7%	2,061	2,483.6%
Extraordinary losses	9,354	7.6%	261	0.2%	(9,093)	(97.2%)
Profit (loss) before income taxes	(433)	(0.3%)	12,219	9.8%	12,652	–
Income taxes	967	0.8%	3,981	3.2%	3,014	311.6%
Profit (loss)	(1,400)	(1.1%)	8,238	6.6%	9,638	–
Profit attributable to						
<b>Profit attributable to owners of parent</b>	<b>994</b>	<b>0.8%</b>	<b>7,211</b>	<b>5.8%</b>	<b>6,216</b>	<b>625.2%</b>
Profit (loss) attributable to non-controlling interests	(2,394)	(1.9%)	1,027	0.8%	3,422	–
<b>Comprehensive income</b>	<b>74</b>	<b>0.1%</b>	<b>9,766</b>	<b>7.9%</b>	<b>9,692</b>	<b>13,108.0%</b>

**2. Major Factors for Changes in Operating Profit (Year on Year)**

(Million yen)

Decrease in gross profit	(1,281)
Decrease in amortization of goodwill	1,686
Decrease in personnel expenses	273
Decrease in transportation and storage costs	137
Increase in marketing costs (sum of advertising expenses, sales commission and promotion expenses)	(969)
Increase in other expenses	(720)

**3. Non-Operating Income (Expenses)**

(Million yen)

	First half of FY2020	First half of FY2021	Year-on-year change
Interest income	106	103	(3)
Dividend income	370	371	0
Rental income from buildings	394	425	31
Foreign exchange gains	–	100	100
Subsidy income	35	525	490
Other	209	292	84
<b>Total non-operating income</b>	<b>1,114</b>	<b>1,816</b>	<b>702</b>
Interest expenses	27	24	(3)
Rental expenses	317	348	30
Foreign exchange losses	265	–	(265)
Share of loss of entities accounted for using equity method	1,421	27	(1,394)
Other	152	114	(38)
<b>Total non-operating expenses</b>	<b>2,182</b>	<b>512</b>	<b>(1,670)</b>

**4. Extraordinary Income (Losses)**

(Million yen)

	First half of FY2020	First half of FY2021	Year-on-year change
Gain on sale of non-current assets	0	62	62
Gain on sale of investment securities	33	2,031	1,998
Gain on sale of restaurants	50	45	(5)
Other	–	6	6
<b>Total extraordinary income</b>	<b>83</b>	<b>2,144</b>	<b>2,061</b>
Loss on sale of non-current assets	11	0	(11)
Loss on retirement of non-current assets	59	110	51
Loss on sale of investment securities	13	–	(13)
Loss on valuation of investment securities	3	14	11
Impairment losses	9,264	137	(9,127)
Other	4	0	(3)
<b>Total extraordinary losses</b>	<b>9,354</b>	<b>261</b>	<b>(9,093)</b>

## 5. Quarterly Statements

### Consolidated

(Million yen)

	FY2020					FY2021				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Net sales	59,750	63,935			123,685	61,636	62,491			124,127
Year-on-year change	–	–			–	1,886	(1,444)			442
Operating profit	4,431	5,475			9,906	5,690	3,341			9,032
Year-on-year change	–	–			–	1,259	(2,134)			(874)
Ordinary profit	4,515	4,324			8,838	6,345	3,991			10,336
Year-on-year change	–	–			–	1,830	(333)			1,498
Profit (loss) attributable to owners of parent	2,812	(1,818)			994	4,073	3,138			7,211
Year-on-year change	–	–			–	1,261	4,956			6,216
Comprehensive income	2,976	(2,902)			74	5,032	4,734			9,766
Year-on-year change	–	–			–	2,055	7,636			9,692

### Net sales by business segment

Net sales	FY2020					FY2021				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Spice / Seasoning / Processed Food Business	29,328	29,872			59,200	27,631	29,334			56,965
Year-on-year change	–	–			–	(1,696)	(538)			(2,235)
Health Food Business	3,739	4,355			8,094	3,351	3,689			7,039
Year-on-year change	–	–			–	(389)	(666)			(1,055)
International Food Business	8,095	10,170			18,265	9,813	9,627			19,440
Year-on-year change	–	–			–	1,718	(543)			1,175
Restaurant Business	10,426	11,242			21,668	11,126	10,979			22,106
Year-on-year change	–	–			–	700	(262)			438
Other Food Related Business	10,676	10,086			20,762	11,675	11,192			22,867
Year-on-year change	–	–			–	999	1,106			2,105
Adjustment	(2,514)	(1,790)			(4,304)	(1,960)	(2,330)			(4,290)
Year-on-year change	–	–			–	554	(540)			14

### Operating profit by business segment

Operating profit	FY2020					FY2021				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Spice / Seasoning / Processed Food Business	4,275	3,682			7,957	3,075	2,326			5,402
Year-on-year change	–	–			–	(1,199)	(1,356)			(2,555)
ROS	14.6%	12.3%			13.4%	11.1%	7.9%			9.5%
Health Food Business	(223)	171			(52)	(163)	(170)			(333)
Year-on-year change	–	–			–	60	(341)			(281)
ROS	(6.0%)	3.9%			(0.6%)	(4.9%)	(4.6%)			(4.7%)
International Food Business	1,010	1,963			2,973	1,983	1,244			3,227
Year-on-year change	–	–			–	973	(718)			254
ROS	12.5%	19.3%			16.3%	20.2%	12.9%			16.6%
Restaurant Business	(927)	(516)			(1,443)	350	176			526
Year-on-year change	–	–			–	1,277	692			1,969
ROS	(8.9%)	(4.6%)			(6.7%)	3.1%	1.6%			2.4%
Other Food Related Business	508	413			921	471	328			799
Year-on-year change	–	–			–	(37)	(85)			(122)
ROS	4.8%	4.1%			4.4%	4.0%	2.9%			3.5%
Adjustment	(212)	(238)			(450)	(27)	(563)			(589)
Year-on-year change	–	–			–	185	(325)			(140)

#### (4) Consolidated Balance Sheets

##### Consolidated Balance Sheets

(Million yen)

	FY2020		First half of FY2021		Increase/decrease from end of FY2020	Major factors for increase/ decrease
	Amount	Percentage	Amount	Percentage		
Current assets	156,939	42.5%	149,943	40.6%	(6,996)	Increase in cash and deposits (7,704) Decrease in securities (4,012) Increase in notes and accounts receivable - trade 2,270 Increase in merchandise and finished goods 1,021
Non-current assets	212,396	57.5%	219,753	59.4%	7,358	Increase in investment securities 5,904 Increase in software 2,283 Increase in machinery, equipment and vehicles 2,179 Decrease in construction in progress (1,636) Decrease in software in progress (1,540)
<b>Total assets</b>	<b>369,335</b>	<b>100.0%</b>	<b>369,697</b>	<b>100.0%</b>	<b>362</b>	
Current liabilities	51,910	14.1%	49,494	13.4%	(2,416)	Decrease in accounts payable - other (3,395) Decrease in income taxes payable (335) Increase in notes and accounts payable - trade 2,250
Non-current liabilities	30,542	8.3%	30,115	8.1%	(427)	Decrease in deferred tax liabilities (589) Increase in long-term borrowings 101
<b>Total liabilities</b>	<b>82,452</b>	<b>22.3%</b>	<b>79,609</b>	<b>21.5%</b>	<b>(2,843)</b>	
Total shareholders' equity	232,389	62.9%	233,728	63.2%	1,339	Increase in retained earnings 4,894 Increase in treasury shares (3,555)
Total other accumulated comprehensive income	25,437	6.9%	27,076	7.3%	1,639	Increase in foreign currency translation adjustment 1,921 Decrease in remeasurements of defined benefit plans (501)
Non-controlling interests	29,058	7.9%	29,284	7.9%	226	
<b>Total net assets</b>	<b>286,883</b>	<b>77.7%</b>	<b>290,088</b>	<b>78.5%</b>	<b>3,205</b>	
<b>Total liabilities and net assets</b>	<b>369,335</b>	<b>100.0%</b>	<b>369,697</b>	<b>100.0%</b>	<b>362</b>	

#### (5) Consolidated Statements of Cash Flows

##### Consolidated Statements of Cash Flows

(Million yen)

	First half of FY2020	First half of FY2021	Year-on-year change	Major factors for increase/ decrease
Cash flows from operating activities	7,721	5,514	(2,207)	Decrease in impairment losses (9,127) Decrease (increase) in notes and accounts receivable - trade (2,827) Increase in loss (gain) on sales of investment securities (2,011) Increase in profit before income taxes 12,652
Cash flows from investing activities	(5,617)	(8,080)	(2,463)	Purchase of investment securities (5,237) Purchase of securities (1,000) Proceeds from sale of securities 4,000
Cash flows from financing activities	(2,340)	(6,751)	(4,410)	Purchase of treasury shares (3,581) Proceeds from short-term borrowings (930) Proceeds from long-term loans payable 165
Cash and cash equivalents at end of period	69,201	69,862	661	

## (6) Capital Investment

### Consolidated

(Million yen)

	First half of FY2020	First half of FY2021	FY2021 Forecast
Capital investment	3,546	5,257	15,000
Leases	184	444	500
Total	3,730	5,701	15,500

## (7) Depreciation

### Consolidated

(Million yen)

	First half of FY2020	First half of FY2021	FY2021 Forecast
Depreciation	5,016	5,234	10,900
Lease payments	172	150	300
Total	5,188	5,384	11,200

\* Lease payments for leased property which is recorded as an asset according to the method for sales transactions are included in "depreciation."

## (8) Major Management Indicators, etc.

### Consolidated

	FY2020	First half of FY2021	FY2021 Revised Forecast
Profit per share	86.87 yen	72.00 yen	147.19 yen
Net assets per share	2,559.12 yen	2,615.78 yen	–
ATO (Asset turnover)	0.68 times	–	–
Ratio of operating profit to net sales	7.8%	7.3%	7.8%
EBITDA margin	12.4%	11.5%	12.1%
Ratio of ordinary profit to net sales	7.9%	8.3%	8.7%
Ratio of operating profit to total assets	5.3%	–	–
ROE (Return on equity)	3.5%	–	5.6%
Equity ratio	69.8%	70.5%	–
Dividend per share	46.00 yen	23.00 yen	46.00 yen
Dividend payout ratio	53.0%	31.9%	31.3%
Dividend payout ratio according to the basic policy on the return of earnings to shareholders	29.6%	31.6%	31.0%

\* Basic policy on the payment of dividends:

A dividend payout ratio of at least 30% on a consolidated basis excluding the effects of extraordinary income/losses arising from business combination and the amortization of goodwill

Number of employees	6,153 people	6,288 people	–
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\* Excluding those on leave of absence and part-time workers

## (9) Reference Information

### 1. Domestic market scale (according to the survey by House Foods)

(Billion yen)

	FY2017	FY2018	FY2019	FY2020
Curry roux	56.3	53.9	52.2	51.3
Stew roux	21.5	20.1	19.3	19.4
Hashed beef sauce roux	7.2	7.2	7.2	7.4
Retort pouched curry	69.2	72.9	77.4	81.0
Spice in total	84.2	87.7	90.3	102.6

### 2. Curry roux market trends (SRI+)

FY2021		1Q	2Q	3Q	4Q	1H	2H	Full year
Overall market	Average selling price	192 yen	194 yen			193 yen		
	Change from the previous year	-4 yen	+2 yen			-1 yen		
House Foods	Average selling price	192 yen	193 yen			192 yen		
	Change from the previous year	-5 yen	+1 yen			-2 yen		
	Share of amount	62.0%	62.1%			62.1%		

Source: SRI+ monthly data of INTAGE Inc. (April 2021 – September 2021)

### 3. Year-on-year sales by major category (based on shipment amount)

FY2021	1Q	2Q	3Q	4Q	1H	2H	Full year
Spice / Seasoning / Processed Food Business							
Curry roux in total	90.6%	95.0%			92.7%		
Retort pouched curry in total	99.1%	98.8%			99.0%		
Stew roux in total	86.0%	103.3%			97.1%		
Hashed beef sauce roux in total	103.6%	91.5%			97.6%		
Spice in total	91.8%	97.5%			94.6%		
Health Food Business							
<i>Ukon No Chikara</i>	107.8%	67.8%			82.1%		
<i>C1000</i>	74.2%	73.8%			74.0%		
<i>Ichinichibun No Vitamin</i>	98.2%	114.8%			106.9%		