

February 5, 2024

Consolidated Financial Results (Japanese Accounting Standards) for the Nine Months Ended December 31, 2023 (Q3 FY2023)

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Scheduled date for filing of securities report: February 14, 2024

Scheduled date of commencement of dividend payment: –

Supplementary documents for quarterly results: Yes

Quarterly results briefing: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2023 (April 1, 2023 – December 31, 2023)

(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	%
Nine months ended								
December 31, 2023	225,697	9.7	16,669	16.4	17,599	13.2	16,362	41.0
December 31, 2022	205,819	7.2	14,324	(15.2)	15,542	(16.1)	11,606	(13.1)

(Note) Comprehensive income: 28,616 million yen (64.8%) for the nine months ended December 31, 2023
 17,366 million yen (15.4%) for the nine months ended December 31, 2022

	Profit per share (basic)		Profit per share (diluted)	
	Yen		Yen	
Nine months ended				
December 31, 2023	167.74		–	
December 31, 2022	118.39		–	

(2) Consolidated Financial Position

	Total assets		Net assets		Equity ratio		Net assets per share	
	Million yen		Million yen		%		Yen	
Nine months ended								
December 31, 2023	428,633		323,907		68.8		3,021.39	
Year ended								
March 31, 2023	396,910		301,335		68.6		2,791.56	

(Reference) Shareholders' equity: As of December 31, 2023: 294,726 million yen As of March 31, 2023: 272,285 million yen

(Note) In the first quarter of the fiscal year under review, provisional accounting treatment related to business combinations was finalized. Accordingly, the figures for the previous fiscal year reflect the finalization of the provisional accounting treatment.

2. Dividends

	Dividend per share					
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual	
	Yen		Yen		Yen	
Year ended March 31, 2023	–	23.00	–	23.00	46.00	
Year ending March 31, 2024	–	23.00	–			
Year ending March 31, 2024 (forecasts)				23.00	46.00	

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

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2024 (April 1, 2023 – March 31, 2024)

(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, 2024	302,800	10.1	20,000	19.9	21,200	15.8	18,000	31.7	185.04	

(Notes) 1 Revisions to financial forecasts published most recently: None

2 In the first quarter of the fiscal year under review, provisional accounting treatment related to business combinations was finalized. Accordingly, the figures for the previous fiscal year reflect the finalization of the provisional accounting treatment. The percentages showing year-on-year changes have also been calculated based on figures reflecting finalization of the provisional accounting treatment.

* 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: | None |
| (ii) Changes in accounting policies other than (i): | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Restatement: | None |
- (4) Number of shares outstanding (common shares):
- | | |
|---|--------------------|
| (i) Number of shares outstanding at end of period (including treasury shares) | |
| As of December 31, 2023: | 100,750,620 shares |
| As of March 31, 2023: | 100,750,620 shares |
| (ii) Number of treasury shares at end of period | |
| As of December 31, 2023: | 3,204,208 shares |
| As of March 31, 2023: | 3,212,078 shares |
| (iii) Average number of shares outstanding during the term | |
| Nine months ended December 31, 2023: | 97,543,852 shares |
| Nine months ended December 31, 2022: | 98,038,460 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 Three Quarters Ended December 31, 2023” on page 5 of the accompanying materials.

Accompanying Materials – Contents

1. Qualitative Information on Results for the First Three Quarters Ended December 31, 2023	2
(1) Details of Operating Results	2
(2) Details of Financial Position	4
(3) Information on the Future Outlook, Including Consolidated Business Results Forecasts	5
2. Quarterly Consolidated Financial Statements and Key Notes	6
(1) Quarterly Consolidated Balance Sheets	6
(2) Quarterly Consolidated Statements of Income and Comprehensive Income	8
(3) Notes to Quarterly Consolidated Financial Statements	10
Notes Relating to Assumptions for the Going Concern	10
Notes for Case Where Shareholders' Equity underwent Significant Changes in Value	10
Application of Particular Accounts Procedures to the Preparation of Quarterly Consolidated Financial Statements	10
Segment Information	10
Business Combination, etc.	11
Important Subsequent Events	12
3. Supplementary Information	15
(1) Business Results	15
(2) Number of Group Companies	15
(3) Consolidated Statements of Income	16
(4) Consolidated Balance Sheets	20
(5) Capital Investment	21
(6) Depreciation	21
(7) Major Management Indicators, etc.	21
(8) Reference Information	22

1. Qualitative Information on Results for the First Three Quarters Ended December 31, 2023

(1) Details of Operating Results

During the first nine months (April 1, 2023 – December 31, 2023) of the fiscal year under review, which is the final fiscal year of the Seventh Medium-term Business Plan, the business environment was volatile, with increases in raw material prices and with changes in the market environment associated with the resumption of economic activity and changes in consumer behavior associated with rising inflation, and the outlook remained uncertain.

The Group's International Food Business reported a significant drop in profit due to changes in the market environment in each area of operation; however, the other four businesses posted higher profits and the Group as whole achieved gains in sales and profits, as Group companies in Japan and overseas revised prices and pursued cost efficiency in response to pressure from the rising cost of raw materials and other commodities. Ordinary profit increased and profit attributable to owners of parent rose due to the recording of extraordinary income associated with revision of the retirement benefit plan at House Foods Corporation, which is consolidated subsidiary of the Company, during the first quarter of the fiscal year under review.

In addition, the Group acquired US-based Keystone Natural Holdings, LLC on September 30, 2022, and allocation of the purchase price paid in the business combination was completed during the first quarter of the fiscal year under review. Year-on-year comparison/analysis is based on amounts after allocation of the purchase price. Please refer to “2. Quarterly Consolidated Financial Statements and Key Notes (3) Notes to Quarterly Consolidated Financial Statements (Business Combination, etc.)” for details.

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

	Nine months ended December 31, 2023	
	Amount (million yen)	Year-on-year change (%)
Net sales	225,697	109.7
Operating profit	16,669	116.4
Ordinary profit	17,599	113.2
Profit attributable to owners of parent	16,362	141.0

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	96,086	105.5	8,630	127.5
Health Food Business	13,327	101.8	2,296	120.8
International Food Business	41,937	119.9	2,284	51.1
Restaurant Business	41,158	116.3	2,902	219.9
Other Food Related Business	40,936	106.7	1,567	191.5
Subtotal	233,445	109.7	17,678	115.7
Adjustment (elimination)	(7,748)	–	(1,009)	–
Total	225,697	109.7	16,669	116.4

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

Spice / Seasoning / Processed Food Business

In the household use business of this segment, sales recovered mostly in line with expectations, reflecting the continued implementation of price revisions initiated the previous fiscal year as well as efforts to enhance sales backup measures to firmly establish the new prices and efforts to create demand through the introduction of products that meet customer needs. In the food service business, we have been operating as the newly formed House Gaban Corporation since April this year, and business is on a recovery path thanks largely to a rebound in demand associated with the resumption of economic activity and price revisions implemented in September 2023.

As a result of the above, sales in the Spice/Seasoning/Processed Food Business stood at 96,086 million yen, up 5.5% year on year, and operating profit was 8,630 million yen, up 27.5% year on year. Consequently, the ratio of operating profit to net sales was 9.0%, rising 1.5 percentage points from a year earlier.

Health Food Business

In this business segment, we are focusing on securing a revenue base in the domestic business and building the Functional Ingredients VC globally.

Sales in the Health Food Business increased, reflecting concentration on sales of *C1000* bottled products and *Ichinichi-bun No Vitamin Jelly* products, in addition to growing demand for *Ukon No Chikara*. Operating profit rose, partly due to the effect of increased sales in addition to cost effectiveness.

As a result of the above, sales in the Health Food Business rose 1.8% year on year, to 13,327 million yen, and operating profit increased 20.8%, to 2,296 million yen. Consequently, the ratio of operating profit to net sales was 17.2%, rising 2.7 percentage points from a year earlier.

International Food Business Period covered by the consolidated financial statements: Mainly from January to September 2023

The tofu business in the United States posted a gain in sales due to factors such as price revisions at House Foods America Corporation (HFA) and inclusion of Keystone Natural Holdings, LLC (KNH) in the scope of consolidation for the first time; however, the business reported lower operating profit, reflecting a failure to absorb costs such as amortization of goodwill and intangible assets associated with the acquisition of KNH, and depreciation of new production facilities at HFA, which commenced operation in June 2023.

The results of the curry business in China strongly reflected changes in consumer behavior, such as a move toward frugality, in response to deterioration in the economy from January 2023. The household use business achieved higher sales and lower profit, reflecting a failure to absorb an increase in upfront costs incurred during the first six months, despite a shift away from the initial strategy of pursuing expansion in sales channels to a strategy of attaching importance to cost effectiveness in view of the changes in consumption. The food service business posted increased sales and decreased profit, reflecting higher costs resulting from the resumption of business activities which had been put on hold under the zero-COVID policy last fiscal year, despite progress in terms of the adoption of products by new customers.

The functional drink business in Thailand reported declines in both sales and profits, largely attributable to a weak performance in the first six months when sales floundered, despite the deployment of a new marketing strategy, including a fresh brand communication strategy, from the third quarter, in light of dramatic changes in the market environment.

As a result of the above, sales in the International Food Business rose 19.9% year on year, to 41,937 million yen, and operating profit decreased 48.9%, to 2,284 million yen. As a result, the ratio of operating profit to net sales was 5.4%, declining 7.3 percentage point from the same period of the previous fiscal year.

Restaurant Business Periods covered by the consolidated financial statements: From March to November 2023 for Ichibanya Co., Ltd. and from January to September 2023 for overseas subsidiaries

This business segment is strengthening the earning capacity of existing business and developing new business formats. Ichibanya Co., Ltd., which is responsible for the domestic business, saw year-on-year increases in net sales at existing stores, the number of customers and average customer spend, partly due to the effects of menu measures and new promotional activities, in addition to more movement of people with the resumption of economic activity. Meanwhile, the overseas business saw a strong performance in many areas, mainly due to the lifting of COVID restrictions. As a result of the above, sales in the Restaurant Business increased 16.3% year on year, to 41,158 million yen, and operating profit increased 119.9% year on year, to 2,902 million yen. Consequently, the ratio of operating profit to net sales was 7.1%, rising 3.3 percentage points from a year earlier.

Other Food Related Business

Delica Chef Corporation achieved higher profit, with initiatives to improve productivity paying off and higher sales also boosting profitability.

Vox Trading Co., Ltd. posted gains in both sales and profit due to progress in price pass on and a focus on the sale of highly profitable goods.

As a result of the above, sales in Other Food Related Business increased 6.7% year on year, to 40,936 million yen, and operating profit increased 91.5% year on year, to 1,567 million yen. Consequently, the ratio of operating profit to net sales was 3.8%, rising 1.7 percentage points from a year earlier.

(2) Details of Financial Position

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

Total assets were 428,633 million yen, an increase of 31,723 million yen from the end of the previous consolidated fiscal year.

Current assets stood at 169,773 million yen, an increase of 14,848 million yen mainly due to increases in notes and accounts receivable - trade and cash and deposits, and merchandise and finished goods. Non-current assets rose 16,874 million yen, to 258,860 million yen, with increases in investment securities, buildings and structures, retirement benefit asset, machinery and equipment and vehicles offsetting a decrease in construction in progress.

Liabilities stood at 104,725 million yen, an increase of 9,150 million yen from the end of the previous consolidated fiscal year.

Current liabilities were up 5,708 million yen, to 62,362 million yen, mainly due to increases in notes and accounts payable - trade and income taxes payable, while accounts payable - other decreased. Non-current liabilities increased 3,443 million yen, to 42,363 million yen, chiefly due to an increase in deferred tax liabilities.

Net assets stood at 323,907 million yen, climbing 22,572 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, an increase in foreign currency translation adjustment, and an increase in valuation difference on available-for-sale securities due to a rise in the market value of investment securities owned, which offset a decrease in remeasurements of defined benefit plans.

As a result, the equity ratio stood at 68.8% (compared with 68.6% at the end of the previous fiscal year), and net assets per share amounted to 3,021.39 yen (2,791.56 yen at the end of the previous fiscal year) at the end of the first nine months of the fiscal year under review.

Figures for the previous fiscal year reflect a review of the initially allocated amounts of the purchase price as a result of finalization of provisional accounting treatment related to business combinations. Please refer to “2. Quarterly Consolidated Financial Statements and Key Notes (3) Notes to Quarterly Consolidated Financial Statements (Business Combination, etc.)” for details.

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

The consolidated business performance forecast for the fiscal year ending March 31, 2024 remains unchanged from the business performance forecast announced on November 7, 2023.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of previous fiscal year (As of March 31, 2023)	End of third quarter of the fiscal year under review (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	64,752	67,123
Notes and accounts receivable - trade	50,364	61,998
Securities	6,000	4,510
Merchandise and finished goods	17,006	18,332
Work in process	3,320	4,129
Raw materials and supplies	7,658	8,378
Other	5,908	5,383
Allowance for doubtful accounts	(83)	(81)
Total current assets	154,924	169,773
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,336	39,821
Machinery, equipment and vehicles, net	20,316	24,376
Land	30,334	30,685
Lease assets, net	1,222	871
Construction in progress	10,209	4,473
Other, net	5,951	6,141
Total property, plant and equipment	102,368	106,366
Intangible assets		
Goodwill	7,745	8,629
Trademark right	18,410	18,162
Software	3,935	3,725
Contract-related intangible assets	18,202	17,602
Customer-related intangible assets	4,609	4,930
Software in progress	502	619
Other	785	817
Total intangible assets	54,187	54,483
Investments and other assets		
Investment securities	59,108	66,739
Long-term loans receivable	8	12
Deferred tax assets	799	674
Long-term time deposits	1,000	1,000
Retirement benefit asset	18,200	22,888
Distressed receivables	214	171
Long-term deposits	1,065	1,059
Other	6,422	6,803
Allowance for doubtful accounts	(1,385)	(1,335)
Total investments and other assets	85,431	98,011
Total non-current assets	241,986	258,860
Total assets	396,910	428,633

(Million yen)

	End of previous fiscal year (As of March 31, 2023)	End of third quarter of the fiscal year under review (As of December 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,506	23,890
Electronically recorded obligations - operating	1,563	1,825
Short-term borrowings	5,452	6,226
Lease liabilities	959	812
Accounts payable - other	10,327	8,284
Income taxes payable	2,320	3,784
Provision for bonuses	490	244
Provision for bonuses for directors (and other officers)	61	43
Provision for shareholder benefit program	99	88
Asset retirement obligations	10	9
Other	14,867	17,157
Total current liabilities	56,654	62,362
Non-current liabilities		
Long-term borrowings	161	154
Lease liabilities	4,080	4,167
Long-term accounts payable - other	181	162
Deferred tax liabilities	22,539	25,886
Retirement benefit liability	6,074	5,839
Asset retirement obligations	1,128	1,151
Long-term guarantee deposits	3,771	3,704
Other	987	1,300
Total non-current liabilities	38,921	42,363
Total liabilities	95,575	104,725
Net assets		
Shareholders' equity		
Share capital	9,948	9,948
Capital surplus	22,829	22,850
Retained earnings	218,106	229,979
Treasury shares	(9,957)	(9,933)
Total shareholders' equity	240,925	252,845
Accumulated other comprehensive income		
Valuation difference on available-for- sale securities	20,907	26,859
Deferred gains or losses on hedges	(184)	89
Foreign currency translation adjustment	5,616	12,398
Remeasurements of defined benefit plans	5,021	2,535
Total accumulated other comprehensive income	31,359	41,881
Non-controlling interests	29,050	29,181
Total net assets	301,335	323,907
Total liabilities and net assets	396,910	428,633

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(First nine-month period)

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2022 - December 31, 2022)	First nine-month period of the fiscal year under review (April 1, 2023 - December 31, 2023)
Net sales	205,819	225,697
Cost of sales	132,165	142,990
Gross profit	73,654	82,706
Selling, general and administrative expenses	59,330	66,037
Operating profit	14,324	16,669
Non-operating income		
Interest income	200	238
Dividend income	448	488
Share of profit of entities accounted for using equity method	92	21
Rental income from buildings	657	662
Foreign exchange gains	204	–
Subsidy income	243	–
Other	301	517
Total non-operating income	2,144	1,927
Non-operating expenses		
Interest expenses	205	163
Rental expenses	517	536
Foreign exchange losses	–	173
Litigation expenses	34	15
Other	169	110
Total non-operating expenses	925	997
Ordinary profit	15,542	17,599
Extraordinary income		
Gain on sale of non-current assets	1	3
Gain on sale of investment securities	3,344	1,982
Gain on sale of restaurants	69	21
Gain on revision of retirement benefit plan	–	6,988
Other	7	11
Total extraordinary income	3,421	9,005
Extraordinary losses		
Loss on sale of non-current assets	50	14
Loss on retirement of non-current assets	94	165
Loss on sale of investment securities	1	–
Loss on valuation of investment securities	122	254
Loss on valuation of membership	1	–
Impairment losses	80	318
Other	35	0
Total extraordinary losses	383	751
Profit before income taxes	18,580	25,853
Income taxes	5,746	8,178
Profit	12,834	17,675
Profit attributable to		
Profit attributable to owners of parent	11,606	16,362
Profit attributable to non-controlling interests	1,228	1,313

(Million yen)

	First nine-month period of previous fiscal year (April 1, 2022 - December 31, 2022)	First nine-month period of the fiscal year under review (April 1, 2023 - December 31, 2023)
Other comprehensive income		
Valuation difference on available-for- sale securities	(2,801)	5,961
Deferred gains or losses on hedges	61	321
Foreign currency translation adjustment	7,996	7,075
Remeasurements of defined benefit plans, net of tax	(863)	(2,489)
Share of other comprehensive income of entities accounted for using equity method	139	74
Total other comprehensive income	4,532	10,941
Comprehensive income	17,366	28,616
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	15,614	26,884
Comprehensive income attributable to non-controlling interests	1,753	1,732

(3) 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

Not applicable.

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 nine months 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.

Segment Information

I. First nine-month period of previous fiscal year (April 1, 2022 - December 31, 2022)

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	87,215	12,741	34,836	35,305	35,643	205,740	–	205,740	79	205,819
Sales and transfer – inter-segment	3,825	356	131	78	2,726	7,115	–	7,115	(7,115)	–
Total	91,040	13,097	34,967	35,382	38,370	212,855	–	212,855	(7,036)	205,819
Segment profit (loss)	6,769	1,900	4,467	1,320	818	15,274	–	15,274	(950)	14,324

(Notes) 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 loss of 950 million yen of the Company and House Business Partners Corporation, etc., which is not distributed to business segments.
2. Segment profit was adjusted with operating profit on the consolidated financial statements.

2. Information on assets by reported segment

(Significant increase in assets due to acquisition of subsidiary)

During the third quarter of the consolidated fiscal year under review, the assets of the International Food Business segment increased by 15,053 million yen due to acquisition of the shares of Keystone Natural Holdings and its inclusion in the scope of consolidation.

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

(Important impairment losses on non-current assets)

In the first nine months of the consolidated fiscal year under review, the Company recorded impairment losses of 80

million yen associated with a fall in profitability of store assets, etc. in the Restaurant Business segment.

(Significant fluctuation in the amount of goodwill)

During the third quarter of the consolidated fiscal year under review, goodwill increased in the International Food Business segment due to acquisition of the shares of Keystone Natural Holdings and its inclusion in the scope of consolidation. The details are described in (3) Notes to Quarterly Consolidated Financial Statements (Business Combinations).

II. First nine-month period of the fiscal year under review (April 1, 2023 - December 31, 2023)

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	92,057	13,019	41,714	41,067	37,757	225,613	–	225,613	84	225,697
Sales and transfer – inter-segment	4,029	309	223	91	3,180	7,832	–	7,832	(7,832)	–
Total	96,086	13,327	41,937	41,158	40,936	233,445	–	233,445	(7,748)	225,697
Segment profit (loss)	8,630	2,296	2,284	2,902	1,567	17,678	–	17,678	(1,009)	16,669

(Notes) 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 loss of 1,009 million yen of the Company and House Business Partners Corporation, etc., which is not distributed to business segments.
2. Segment profit was adjusted with operating profit on 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 nine months of the consolidated fiscal year under review, the Company recorded impairment losses of 314 million yen associated with a fall in profitability of store assets, etc. in the Restaurant Business segment. The Company also recorded impairment losses of 4 million yen associated with idle assets in "Adjustment" that is not allocated to each reportable segment.

Business Combination, etc.

Significant review of initial allocation of the purchase price paid used in comparative information

In the previous fiscal year, the Company used provisional accounting treatment for the business combination with Keystone Natural Holdings, LLC on September 30, 2022. The provisional figures were finalized in the first quarter of the fiscal year under review.

As a result of this finalization of the provisional accounting treatment, the comparative information in the quarterly consolidated financial statements for the first nine months of the fiscal year under review reflects a significant review of initial allocation of the purchase price paid.

Accordingly, the provisionally determined amount of goodwill of 13,766 million yen has been revised down 5,362 million yen as a result of finalization of the accounting treatment, to 8,404 million yen. The decrease in goodwill is due to increases of 12 million yen in merchandise and finished goods, 374 million yen in property, plant and equipment, 5,097 million yen in customer-related intangible assets and 680 million yen in deferred tax liabilities and a decrease of 559

million yen in other non-current liabilities.

Adjustments to figures at the end of the previous fiscal year are decreases of 16 million yen in other non-current assets, 4,742 million yen in goodwill, 501 million yen in other non-current liabilities, and 31 million yen in retained earnings and increases of 328 million yen in property, plant and equipment, 4,609 million yen in customer-related intangible assets, 687 million yen in deferred tax liabilities, and 23 million yen in foreign currency translation adjustment.

Goodwill will be amortized over 10 years and other allocated customer-related intangible assets will be amortized over 15 years.

Important Subsequent Events

(Notice of acquisition of company's own shares and tender offer for company's own shares)

The Company resolved, by a written resolution on November 14, 2023 in lieu of a resolution of the Board of Directors' meeting pursuant to Article 370 of the Companies Act (Act No. 86 of 2005, as amended) and the Company's Articles of Incorporation, to acquire the Company's own shares and to conduct a tender offer for the Company's own shares as the specific method of acquisition in accordance with Article 156, Paragraph 1 of the Companies Act applied by replacing terms pursuant to the provisions of Article 165, Paragraph 3 of the same Act and the Company's Articles of Incorporation, and acquired the Company's own shares on January 10, 2024.

1. Details of resolution concerning acquisition of the Company's own shares

- (1) Class of shares to be acquired: Common shares
- (2) Total number of shares to be acquired: 733,100 shares (maximum)
(Note) Percentage of total shares issued 0.73% (rounded to two decimal places)
- (3) Total purchase value of shares: 2,200,033,100 yen (maximum)
- (4) Period during which the acquisition may be made From November 15, 2023 to January 31, 2024

2. Overview of the tender offer for treasury shares

- (1) Number of share certificates, etc. to be purchased
733,000 shares (maximum)
- (2) Tender offer price
3,001 yen per share of common stock
- (3) Tender offer period
From November 15, 2023 to December 13, 2023
- (4) Date of public notice of commencement of the tender offer
November 15, 2023
- (5) Settlement commencement date
January 10, 2024

3. Results of the tender offer for treasury shares

- (1) Number of shares tendered
666,400 shares
- (2) Number of shares acquired
666,400 shares
(Note) Percentage of total shares issued 0.66% (rounded to two decimal places)

(3) Total acquisition value of shares

1,999,866,400 yen

(Note) The above-mentioned figure does not include fees paid to the tender offer agent and other miscellaneous expenses.

(4) Acquisition date

January 10, 2024

(Business combination through acquisition)

Ichibanya Co., Ltd., which is a consolidated subsidiary of the Company, resolved, at a meeting of its Board of Directors held on December 14, 2023, to acquire the shares of LFD Japan Co., Ltd. and to make LFD Japan Co., Ltd. into its subsidiary, and acquired the shares on December 28, 2023.

As a result, the Company now indirectly owns the shares of LFD Japan Co., Ltd. held by Ichibanya Co., Ltd., and LFD Japan Co., Ltd. is now a consolidated subsidiary (second-tier subsidiary) of the Company.

1. Outline of the business combination

(1) Name and business of acquired company

Acquired company: LFD JAPAN Co., Ltd.

Business: Management of restaurants

(2) Main reasons for carrying out the business combination

With a global network of 1,462 stores (as of the end of November 2023), Ichibanya Co., Ltd, which is a consolidated subsidiary of the Company, is expanding the restaurant business, including CURRY HOUSE CoCo ICHIBANYA, and has positioned increasing the Group's strength and improving its corporate value through the development and cultivation of new business formats, in addition to the reactivation of existing stores as a management issue that needs to be addressed.

Meanwhile, LFD Japan Co., Ltd. operates four stores in Fukuoka City under the Hakata Motsunabe Maedaya brand. Founder Yusuke Maeda established a brand strategy based on the concept of "bringing dignity to Motsunabe (offal hot pot) and steadily increased sales in the Hakata area, which is a fierce battleground for Motsunabe restaurants. Though small in number, Hakata Motsunabe Maedaya stores are now among the most popular Motsunabe restaurants.

Ichibanya Co., Ltd. decided to invite LFD Japan Co., Ltd. to join the Group as its subsidiary based on the judgment that Hakata Motsunabe Maedaya has enormous product strength and growth potential and will help increase its corporate value.

(3) Date of the business combination

December 28, 2023

Since Ichibanya Co., Ltd.'s closing date is February 29, 2024 and the difference between this date and the consolidated closing date is not more than 3 months, Ichibanya Co., Ltd.'s regular financial results are used as a basis for the consolidated financial results. Accordingly, this latest acquisition of shares is expected to have an impact starting from the year-end consolidated financial statements for the fiscal year ending March 31, 2024.

(4) Legal form of the business combination
Acquisition of shares in exchange for cash

(5) Name of the combined entity
No change

(6) Percentage share of voting rights acquired:
51.0% (held indirectly)

(7) Main reason for the decision to acquire the company
Because Ichibanya Co., Ltd, which is a consolidated subsidiary of the Company, has acquired the shares in exchange for cash.

2. Costs of the acquisition of acquired company and breakdown by type of consideration

Consideration for acquisition	Cash	2,462 million yen
Acquisition cost		2,462 million yen

3. Difference between the acquisition value of the acquired company and the sum of the value of each transaction to acquire the company
Not yet determined

4. Amount of goodwill, reason for goodwill, and method and period of amortization
Not yet determined

5. Amounts and breakdown of assets and liabilities acquired on the business combination date
Not yet determined

3. Supplementary Information

Allocation of the purchase price paid for US-based Keystone Natural Holdings, LLC in the business combination effected on September 30, 2022 was completed during the first quarter of the fiscal year ending March 31, 2024. Accordingly, figures for the previous fiscal year are amounts after the allocation of the purchase price.

(1) Business Results

Consolidated

(Million yen)

	First three quarters of FY2022		First three quarters of FY2023		FY2022		FY2023 Revised Forecast	
	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Net sales	205,819	107.2%	225,697	109.7%	275,060	108.6%	302,800	110.1%
Operating profit	14,324	84.8%	16,669	116.4%	16,686	86.8%	20,000	119.9%
Ordinary profit	15,542	83.9%	17,599	113.2%	18,300	86.6%	21,200	115.8%
Profit attributable to owners of parent	11,606	86.9%	16,362	141.0%	13,672	98.0%	18,000	131.7%
Comprehensive income	17,366	115.4%	28,616	164.8%	15,965	74.0%	–	–

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	91,040	101.6%	96,086	105.5%	119,802	102.0%	128,000	106.8%
Health Food Business	13,097	115.4%	13,327	101.8%	16,520	114.5%	17,200	104.1%
International Food Business	34,967	117.8%	41,937	119.9%	48,875	125.0%	57,300	117.2%
Restaurant Business	35,382	106.1%	41,158	116.3%	48,371	106.5%	55,100	113.9%
Other Food Related Business	38,370	111.7%	40,936	106.7%	50,699	111.3%	55,600	109.7%
Adjustment	(7,036)	–	(7,748)	–	(9,206)	–	(10,400)	–

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	6,769	66.2%	8,630	127.5%	7,915	62.7%	10,700	135.2%
Health Food Business	1,900	700.6%	2,296	120.8%	1,908	–	2,100	110.1%
International Food Business	4,467	94.4%	2,284	51.1%	5,424	103.3%	4,000	73.8%
Restaurant Business	1,320	139.5%	2,902	219.9%	2,268	151.0%	3,600	158.7%
Other Food Related Business	818	64.0%	1,567	191.5%	1,234	83.4%	1,900	153.9%
Adjustment	(950)	–	(1,009)	–	(2,062)	–	(2,300)	–

(2) Number of Group Companies

	First three quarters of FY2022	First three quarters of FY2023	FY2022
Consolidated subsidiaries	42	43	42
Japan	16	17	16
Overseas	26	26	26
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 three quarters of FY2022		First three quarters of FY2023		Year-on-year change	
	Amount	Percentage	Amount	Percentage	Amount	Rate of change
Net sales	205,819	100.0%	225,697	100.0%	19,878	9.7%
<By business segment>						
Spice / Seasoning / Processed Food Business	91,040	44.2%	96,086	42.6%	5,046	5.5%
Health Food Business	13,097	6.4%	13,327	5.9%	231	1.8%
International Food Business	34,967	17.0%	41,937	18.6%	6,971	19.9%
Restaurant Business	35,382	17.2%	41,158	18.2%	5,776	16.3%
Other Food Related Business	38,370	18.6%	40,936	18.1%	2,566	6.7%
Adjustment	(7,036)	(3.4%)	(7,748)	(3.4%)	(712)	–
Cost of sales	132,165	64.2%	142,990	63.4%	10,825	8.2%
Selling, general and administrative expenses	59,330	28.8%	66,037	29.3%	6,706	11.3%
Operating profit	14,324	7.0%	16,669	7.4%	2,346	16.4%
<By business segment>						
Spice / Seasoning / Processed Food Business	6,769	3.3%	8,630	3.8%	1,861	27.5%
Health Food Business	1,900	0.9%	2,296	1.0%	396	20.8%
International Food Business	4,467	2.2%	2,284	1.0%	(2,183)	(48.9%)
Restaurant Business	1,320	0.6%	2,902	1.3%	1,582	119.9%
Other Food-related Business	818	0.4%	1,567	0.7%	749	91.5%
Adjustment	(950)	(0.5%)	(1,009)	(0.4%)	(58)	–
Non-operating income	2,144	1.0%	1,927	0.9%	(217)	(10.1%)
Non-operating expenses	925	0.4%	997	0.4%	72	7.7%
Ordinary profit	15,542	7.6%	17,599	7.8%	2,057	13.2%
Extraordinary income	3,421	1.7%	9,005	4.0%	5,584	163.2%
Extraordinary losses	383	0.2%	751	0.3%	369	96.3%
Profit before income taxes	18,580	9.0%	25,853	11.5%	7,272	39.1%
Income taxes	5,746	2.8%	8,178	3.6%	2,431	42.3%
Profit	12,834	6.2%	17,675	7.8%	4,841	37.7%
Profit attributable to						
Profit attributable to owners of parent	11,606	5.6%	16,362	7.2%	4,756	41.0%
Profit attributable to non-controlling interests	1,228	0.6%	1,313	0.6%	85	7.0%
Comprehensive income	17,366	8.4%	28,616	12.7%	11,250	64.8%

2. Major Changes in Selling, General and Administrative Expenses

(Million yen)

	First three quarters of FY2022	First three quarters of FY2023	Year-on-year change
Advertising expenses	5,835	5,628	(207)
Transportation and storage costs	9,000	9,863	864
Sales commission	90	106	16
Promotion expenses	2,293	2,722	429
Personnel expenses	21,261	23,961	2,700
Research and development expenses	3,273	3,428	155
Amortization of goodwill	33	683	649
Other	17,546	19,646	2,101
Total selling, general and administrative expenses	59,330	66,037	6,706

3. Non-Operating Income (Expenses)

(Million yen)

	First three quarters of FY2022	First three quarters of FY2023	Year-on-year change
Interest income	200	238	38
Dividend income	448	488	40
Share of profit of entities accounted for using equity method	92	21	(71)
Rental income from buildings	657	662	5
Foreign exchange gains	204	–	(204)
Subsidy income	243	–	(243)
Other	301	517	216
Total non-operating income	2,144	1,927	(217)
Interest expenses	205	163	(42)
Rental expenses	517	536	18
Foreign exchange losses	–	173	173
Litigation expenses	34	15	(18)
Other	169	110	(59)
Total non-operating expenses	925	997	72

4. Extraordinary Income (Losses)

(Million yen)

	First three quarters of FY2022	First three quarters of FY2023	Year-on-year change
Gain on sale of non-current assets	1	3	1
Gain on sale of investment securities	3,344	1,982	(1,362)
Gain on sale of restaurants	69	21	(48)
Gain on revision of retirement benefit plan	–	6,988	6,988
Other	7	11	4
Total extraordinary income	3,421	9,005	5,584
Loss on sale of non-current assets	50	14	(36)
Loss on retirement of non-current assets	94	165	71
Loss on sale of investment securities	1	–	(1)
Loss on valuation of investment securities	122	254	132
Loss on valuation of membership	1	–	(1)
Impairment losses	80	318	238
Other	35	0	(35)
Total extraordinary losses	383	751	369

5. Quarterly Statements

Consolidated

(Million yen)

	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Net sales	66,324	67,507	71,988	69,242	275,060	70,453	72,371	82,873		225,697
Year-on-year change	4,688	5,016	4,194	7,777	21,675	4,130	4,863	10,885		19,878
Operating profit	4,970	2,662	6,692	2,363	16,686	4,914	3,153	8,603		16,669
Year-on-year change	(720)	(680)	(1,163)	22	(2,541)	(56)	491	1,911		2,346
Ordinary profit	5,591	3,373	6,578	2,758	18,300	5,252	3,517	8,830		17,599
Year-on-year change	(754)	(618)	(1,604)	151	(2,825)	(339)	144	2,252		2,057
Profit attributable to owners of parent	3,597	1,896	6,114	2,066	13,672	7,978	2,847	5,537		16,362
Year-on-year change	(476)	(1,241)	(36)	1,470	(284)	4,381	951	(577)		4,756
Comprehensive income	3,999	6,218	7,149	(1,401)	15,965	10,678	6,705	11,234		28,616
Year-on-year change	(1,032)	1,484	1,861	(7,929)	(5,616)	6,678	487	4,085		11,250

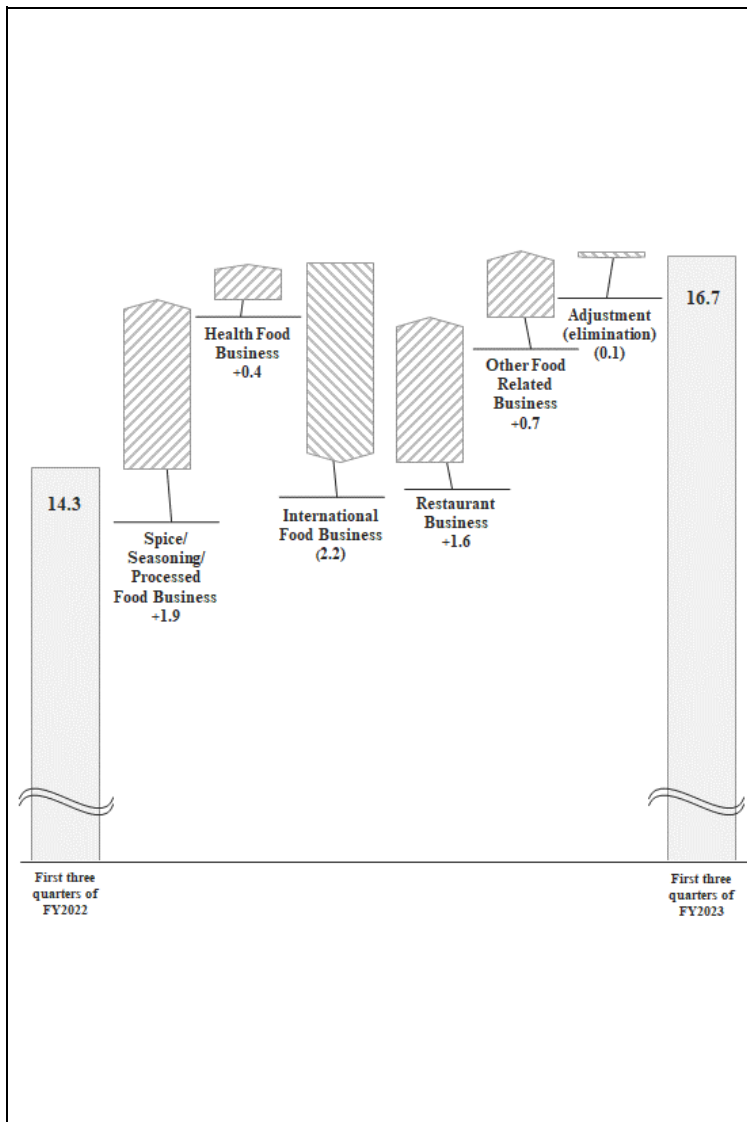
Net sales by business segment

Net sales	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Spice / Seasoning / Processed Food Business	28,326	29,688	33,027	28,762	119,802	29,594	30,829	35,663		96,086
Year-on-year change	694	354	387	945	2,380	1,269	1,142	2,636		5,046
Health Food Business	4,110	4,412	4,575	3,423	16,520	4,136	4,468	4,724		13,327
Year-on-year change	759	723	270	335	2,087	26	56	149		231
International Food Business	10,796	11,824	12,346	13,908	48,875	13,441	13,015	15,481		41,937
Year-on-year change	984	2,197	2,105	4,479	9,764	2,645	1,191	3,135		6,971
Restaurant Business	11,334	11,612	12,436	12,989	48,371	12,897	13,915	14,345		41,158
Year-on-year change	208	633	1,194	915	2,950	1,563	2,303	1,910		5,776
Other Food-related Business	13,921	12,466	11,983	12,329	50,699	12,858	12,891	15,187		40,936
Year-on-year change	2,246	1,274	506	1,102	5,128	(1,062)	424	3,204		2,566
Adjustment	(2,163)	(2,495)	(2,379)	(2,170)	(9,206)	(2,474)	(2,747)	(2,527)		(7,748)
Year-on-year change	(204)	(165)	(268)	1	(635)	(311)	(252)	(149)		(712)

Operating profit by business segment

Operating profit	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Spice / Seasoning / Processed Food Business	2,251	955	3,564	1,145	7,915	1,794	1,871	4,965		8,630
Year-on-year change	(824)	(1,372)	(1,253)	(1,264)	(4,713)	(457)	917	1,401		1,861
ROS	7.9%	3.2%	10.8%	4.0%	6.6%	6.1%	6.1%	13.9%		9.0%
Health Food Business	465	611	824	8	1,908	589	641	1,065		2,296
Year-on-year change	627	781	220	417	2,046	124	30	242		396
ROS	11.3%	13.9%	18.0%	0.2%	11.5%	14.2%	14.4%	22.6%		17.2%
International Food Business	1,747	1,359	1,361	957	5,424	1,175	(79)	1,188		2,284
Year-on-year change	(236)	115	(146)	441	174	(572)	(1,438)	(173)		(2,183)
ROS	16.2%	11.5%	11.0%	6.9%	11.1%	8.7%	(0.6%)	7.7%		5.4%
Restaurant Business	193	454	673	948	2,268	930	877	1,095		2,902
Year-on-year change	(158)	278	253	392	766	737	423	422		1,582
ROS	1.7%	3.9%	5.4%	7.3%	4.7%	7.2%	6.3%	7.6%		7.1%
Other Food-related Business	362	158	297	416	1,234	532	555	480		1,567
Year-on-year change	(109)	(170)	(182)	215	(245)	170	397	182		749
ROS	2.6%	1.3%	2.5%	3.4%	2.4%	4.1%	4.3%	3.2%		3.8%
Adjustment	(47)	(876)	(27)	(1,112)	(2,062)	(106)	(712)	(190)		(1,009)
Year-on-year change	(21)	(313)	(55)	(179)	(568)	(59)	164	(163)		(58)

6. Factors of Changes in Operating Profit by Business Segment (Billion yen)



Billion yen	Year-on-year change
Spice / Seasoning / Processed Food Business	+1.9
Change in sales*	+2.0
Change in cost of sales ratio*	(0.4)
Marketing costs*	+0.6
Other expenses*	(0.3)
Affiliated companies, adjustment	(0.0)
Health Food Business	+0.4
Change in sales	+0.1
Change in cost of sales ratio	(0.1)
Marketing costs	+0.1
Other expenses	+0.2
International Food Business	(2.2)
Business in the United States	(0.7)
Business in China	(0.3)
Businesses in Southeast Asia	(1.2)
Exports and others	+0.0
Restaurant Business	+1.6
Ichibanya Co., Ltd. (Consolidated)	+1.6
Other Food Related Business	+0.7
Delica Chef Corporation	+0.3
Vox Trading Co., Ltd. (Consolidated)	+0.5
Adjustment (elimination)	(0.1)
Changes in operating profit	+2.3

* Calculated based on results of House Foods Corporation and House Gaban Corporation

(4) Consolidated Balance Sheets

Consolidated Balance Sheets

(Million yen)

	FY2022		First three quarters of FY2023		Increase/decrease from end of FY2022	Major factors for increase/decrease
	Amount	Percentage	Amount	Percentage	Amount	
Current assets	154,924	39.0%	169,773	39.6%	14,848	Increase in notes and accounts receivable - trade 11,634 Increase in cash and deposits 2,371 Increase in merchandise and finished goods 1,326
Non-current assets	241,986	61.0%	258,860	60.4%	16,874	Increase in investment securities 7,631 Increase in buildings and structures 5,485 Increase in retirement benefit asset 4,688 Increase in machinery, equipment and vehicles 4,060 Decrease in construction in progress (5,736)
Total assets	396,910	100.0%	428,633	100.0%	31,723	
Current liabilities	56,654	14.3%	62,362	14.5%	5,708	Increase in notes and accounts payable - trade 3,384 Increase in other current liabilities 2,290 Increase in income taxes payable 1,463 Decrease in accounts payable - other (2,043)
Non-current liabilities	38,921	9.8%	42,363	9.9%	3,443	Increase in deferred tax liabilities 3,347
Total liabilities	95,575	24.1%	104,725	24.4%	9,150	
Total shareholders' equity	240,925	60.7%	252,845	59.0%	11,919	Increase in retained earnings 11,874 Decrease in treasury shares 24
Total accumulated other comprehensive income	31,359	7.9%	41,881	9.8%	10,522	Increase in foreign currency translation adjustment 6,782 Increase in valuation difference on available-for-sale securities 5,952 Decrease in remeasurements of defined benefit plans (2,486)
Non-controlling interests	29,050	7.3%	29,181	6.8%	131	
Total net assets	301,335	75.9%	323,907	75.6%	22,572	
Total liabilities and net assets	396,910	100.0%	428,633	100.0%	31,723	

(5) Capital Investment

Consolidated

(Million yen)

	First three quarters of FY2022	First three quarters of FY2023	FY2023 Forecast
Capital investment	9,487	9,268	15,000
Leases	398	379	400
Total	9,885	9,647	15,400

(6) Depreciation

Consolidated

(Million yen)

	First three quarters of FY2022	First three quarters of FY2023	FY2023 Forecast
Depreciation	8,417	9,333	12,900
Lease payments	221	414	500
Total	8,639	9,746	13,400

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

(7) Major Management Indicators, etc.

Consolidated

	FY2022	First three quarters of FY2023	FY2023 Revised Forecast
Profit per share	139.63 yen	167.74 yen	185.04 yen
Net assets per share	2,791.56 yen	3,021.39 yen	2,899.62 yen
ATO	0.71 times	–	0.76 times
Ratio of operating profit to net sales	6.1%	7.4%	6.6%
EBITDA margin	10.4%	11.8%	11.1%
Ratio of ordinary profit to net sales	6.7%	7.8%	7.0%
Ratio of operating profit to total assets	4.3%	–	5.0%
ROE (Return on equity)	5.1%	–	6.5%
Equity ratio	68.6%	68.8%	69.4%
Dividend per share	46.00 yen	–	46.00 yen
Dividend payout ratio	32.9%	–	24.9%
Dividend payout ratio according to the basic policy on the return of earnings to shareholders	32.4%	–	23.7%

* 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	6,502 people	6,669 people	–
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* Excluding those on leave of absence and part-time workers

(8) Reference Information

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

(Billion yen)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Curry roux	55.3	52.9	51.3	50.5	46.9	47.2
Stew roux	21.0	19.6	18.9	18.9	18.1	18.5
Hashed beef sauce roux	7.1	7.1	7.1	7.3	6.6	6.4
Retort pouched curry	67.1	70.7	75.3	78.9	78.7	81.9
Spice in total	82.3	85.9	88.4	100.6	97.0	93.4

2. Curry roux market trends (SRI+)

FY2023		1Q	2Q	3Q	4Q	1H	2H	Full year
Overall market	Average selling price	216 yen	235 yen	238 yen		225 yen		229 yen
	Change from the previous year	+24 yen	+39 yen	+26 yen		+31 yen		+30 yen
House Foods Corporation	Average selling price	222 yen	246 yen	245 yen		234 yen		237 yen
	Change from the previous year	+32 yen	+49 yen	+28 yen		+40 yen		+37 yen
	Share of amount	59.4%	60.8%	61.5%		60.1%		60.6%

Source: SRI+ monthly data of INTAGE Inc. (April 2023 – December 2023)

3. Trends by Business (Net Sales – Year on Year)

FY2023		1Q	2Q	3Q	4Q	1H	2H	Full year
Spice / Seasoning / Processed Food Business (House Foods)								
Curry roux	*1	103.7%	104.3%	112.9%		104.0%		106.7%
Retort pouched curry	*1	107.6%	91.2%	100.5%		98.7%		99.3%
Stew roux	*1	102.8%	96.4%	98.2%		98.3%		98.3%
Spice	*1	104.6%	100.7%	106.5%		102.6%		104.0%
Health Food Business (House Wellness Foods)								
<i>Ukon No Chikara</i>	*1	114.4%	122.5%	116.0%		118.4%		117.4%
<i>C1000</i>	*1	98.3%	104.6%	104.5%		101.5%		102.5%
<i>Ichinichibun No Vitamin</i>	*1	106.2%	92.8%	91.7%		98.3%		96.2%
International Food Business (Local currency basis)								
Business in the United States		158.4%	152.3%	150.3%		155.5%		153.7%
Business in China		114.6%	108.2%	95.0%		111.2%		105.0%
Functional drinks business in Thailand		54.2%	39.7%	93.9%		46.5%		59.2%
Restaurant Business (Ichibanya)								
Net sales of all domestic restaurants		112.1%	113.6%	114.1%		112.9%		113.3%
Net sales of existing domestic restaurants		112.9%	114.3%	115.0%		113.7%		114.1%
Number of customers		101.1%	103.8%	105.4%		102.5%		103.5%
Average sales per customer		111.7%	110.1%	109.1%		110.9%		110.3%

*1: Results by product are based on shipments and are for reference only.