

July 31, 2024

Consolidated Financial Results (Japanese Accounting Standards) for the Three Months Ended June 30, 2024 (Q1 FY2024)

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 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 2810
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Scheduled date of commencement of dividend payment: –
 Supplementary documents for financial results: Yes
 Financial results briefing: None

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

1. Consolidated Financial Results for the Three Months Ended June 30, 2024 (April 1, 2024 – June 30, 2024)

(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	%
Three months ended June 30, 2024	74,733	6.1	5,578	13.5	5,730	9.1	3,556	(55.4)
June 30, 2023	70,453	6.2	4,914	(1.1)	5,252	(6.1)	7,978	121.8

(Note) Comprehensive income: 6,839 million yen (-35.9%) for the three months ended June 30, 2024
 10,678 million yen (167.0%) for the three months ended June 30, 2023

	Profit per share (basic)		Profit per share (diluted)	
	Yen		Yen	
Three months ended June 30, 2024	36.71		–	
June 30, 2023	81.79		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of June 30, 2024	427,153	325,486	69.3	3,055.99
March 31, 2024	431,601	321,609	67.7	3,016.19

(Reference) Shareholders' equity: As of June 30, 2024: 296,064 million yen
 As of March 31, 2024: 292,208 million yen

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, 2024	–	23.00	–	24.00	47.00
Year ending March 31, 2025	–				
Year ending March 31, 2025 (forecasts)		24.00	–	24.00	48.00

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

3. Consolidated Forecasts for the Fiscal Year Ending March 31, 2025 (April 1, 2024 – March 31, 2025)

(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, 2025	320,000	6.8	21,000	7.9	22,000	4.3	13,300	(24.3)	137.28

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

* Notes

(1) Major changes in the scope of consolidation during the period: 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 (3) Notes to Quarterly Consolidated Financial Statements (Notes Relating to Changes in Accounting Policies)" on page 9 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 June 30, 2024: 100,750,620 shares

As of March 31, 2024: 100,750,620 shares

(ii) Number of treasury shares at end of period

As of June 30, 2024: 3,870,841 shares

As of March 31, 2024: 3,870,800 shares

(iii) Average number of shares outstanding during the term

Three months ended June 30, 2024: 96,879,806 shares

Three months ended June 30, 2023: 97,538,286 shares

* Review of the accompanying quarterly consolidated financial statements by certified public accountants or audit corporations: None

* 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 relating to the forecasts, please refer to "1. Analysis of Operating Results and Financial Position, (3) Information on the Future Outlook, Including Consolidated Business Results Forecasts" on page 4 of the accompanying materials.

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1. Analysis of Operating Results and Financial Position

(1) Analysis of Operating Results

Under the Group's Eighth Medium-Term Business Plan, launched in April 2024, in line with the theme "Striving to become a high quality company that provides "Healthy Life Through Foods" <Chapter 2> Striving for growth by building a global value chain", the Group is building a value chain structure globally and laying foundations that will enable further growth in the future. At the same time, the Group is implementing initiatives to improve corporate value, including introducing ROIC (return on invested capital) for management that is conscious of the cost of capital.

During the first quarter of the fiscal year under review, the outlook remained uncertain amid increases in business costs including raw material, logistics and personnel costs, further depreciation of the yen, and increasingly diverse consumer preferences.

Net sales for the three months ended June 30, 2024 increased, reflecting strong performances in each business, especially the International Food Business and Restaurant Business. Operating profit grew, driven by the Spice/Seasoning/Processed Food Business and the Health Food Business. While ordinary profit rose, profit attributable to owners of parent fell due to the recording of a gain on revision of retirement benefit plan in the same period a year earlier.

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

	Three months ended June 30, 2024	
	Amount (million yen)	Year-on-year change (%)
Net sales	74,733	106.1
Operating profit	5,578	113.5
Ordinary profit	5,730	109.1
Profit attributable to owners of parent	3,556	44.6

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	30,749	103.9	2,853	159.0
Health Food Business	4,276	103.4	779	132.3
International Food Business	15,014	111.7	1,085	92.3
Restaurant Business	14,240	110.4	755	81.2
Other Food Related Business	12,935	100.6	418	78.7
Subtotal	77,214	105.9	5,890	117.3
Adjustment (elimination)	(2,480)	–	(312)	–
Total	74,733	106.1	5,578	113.5

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

Spice / Seasoning / Processed Food Business

This business segment posted gains in sales and profit, partly due to price revisions implemented last year and the roll-out of measures to stimulate demand.

In the household use business, sales were strong, especially sales of curry roux and spice products. Higher unit prices as a result of the price revisions implemented in June last year and new products released the previous fiscal year contributed to curry roux sales, while sales of spice products benefited from continued expansion in customer contact points. In the food service business, sales far exceeded the level a year earlier, reflecting the implementation of price revisions in September last year and brisk sales on the back of the growth of the food service market. Profitability improved, thanks to the effect of price revisions and effective use of marketing costs.

As a result of the above, sales in the Spice/Seasoning/Processed Food Business stood at 30,749 million yen, up 3.9% year on year, and operating profit was 2,853 million yen, up 59.0% year on year. Consequently, the ratio of operating profit to net sales was 9.3%, rising 3.2 percentage points from a year earlier.

Health Food Business

In this business segment, we are focusing on further strengthening the revenue base in the domestic business and building the Functional Ingredients Value Chain globally.

Sales increased due to more widespread handling of *Ichinichi-bun No Vitamin Jelly* and lactobacillus, which offset year-on-year decline in sales of *Ukon No Chikara* as the rebound in opportunities to drink out showed signs of cooling. Profit grew, reflecting efforts to rationalize costs in order to maintain and increase profitability.

As a result of the above, sales in the Health Food Business rose 3.4% year on year, to 4,276 million yen, and operating profit increased 32.3%, to 779 million yen. Consequently, the ratio of operating profit to net sales was 18.2%, rising 4.0 percentage points from a year earlier.

International Food Business Period covered by the consolidated financial statements: Mainly from January to March 2024

In this business segment, we are focusing on strengthening the business base and resolving issues in order to achieve sustainable business growth in the three key areas of the United States, China and Thailand.

The tofu business in the United States posted higher sales and lower profit. While sales were solid, partly due to the success of sales measures by channel at House Foods America Corporation, profit fell, reflecting lackluster sales of products in the higher price range at Keystone Natural Holdings, LLC and depreciation and amortization expense for a new production line at House Foods America Corporation.

The curry business in China reported declines in sales and profit overall. In the household use business, sales and profit both fell, reflecting efforts to reduce distribution inventories to normal levels in response to continued slowdown in shipments. The food service business achieved gains in sales and profit through progress with development of customers, primarily restaurants.

The functional drink business in Southeast Asia posted gains in sales and profit on the back of steady growth in sales of core product *C-Vitt* resulting from fresh brand communication efforts, in a bid to rebuild the entire vitamin beverage market in Thailand.

As a result of the above, sales in the International Food Business rose 11.7% year on year, to 15,014 million yen, and operating profit decreased 7.7%, to 1,085 million yen. As a result, the ratio of operating profit to net sales was 7.2%, declining 1.5 percentage point from the same period of the previous fiscal year.

Restaurant Business Periods covered by the consolidated financial statements: From March to May 2024 for Ichibanya Co., Ltd. and from January to March 2024 for overseas subsidiaries

In this business segment, we are focusing on strengthening the profitability of the domestic business, expanding the

overseas 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 an ongoing increase in the movement of people since the previous fiscal year, various sales measures such as the sale of limited-time-only menus and promotional activities, and price revisions for delivery services and takeaways from December 2023 onwards. Overseas stores also posted higher sales. Profit fell, mainly due to higher purchase prices for ingredients and increased personnel and logistics costs.

As a result of the above, sales in the Restaurant Business increased 10.4% year on year, to 14,240 million yen, and operating profit declined 18.8% year on year, to 755 million yen. As a result, the ratio of operating profit to net sales was 5.3%, declining 1.9 percentage point from the same period of the previous fiscal year.

Other Food Related Business

Delica Chef Corporation generated sales mostly unchanged year on year but its profit fell due to higher labor costs.

Vox Trading Co., Ltd. generated sales mostly unchanged year on year but its profit fell due to higher fixed costs, including personnel costs.

As a result of the above, sales in Other Food Related Business increased 0.6% year on year, to 12,935 million yen, and operating profit declined 21.3% year on year, to 418 million yen. As a result, the ratio of operating profit to net sales was 3.2%, declining 0.9 percentage point from the same period of the previous fiscal year.

(2) Analysis of Financial Position

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

Total assets were 427,153 million yen, a decrease of 4,448 million yen from the end of the previous consolidated fiscal year.

Current assets fell 4,217 million yen, to 166,991 million yen mainly due to a decrease in cash and deposits, which offset increases in merchandise and finished goods and securities. Non-current assets declined 231 million yen, to 260,162 million yen, mainly due to a decrease in investment securities, which offset increases in construction in progress and buildings and structures.

Liabilities stood at 101,668 million yen, a decrease of 8,324 million yen from the end of the previous consolidated fiscal year.

Current liabilities were down 7,915 million yen, to 57,862 million yen mainly due to decreases in accounts payable - other, income taxes payable and short-term borrowings. Non-current liabilities declined 409 million yen, to 43,805 million yen, chiefly due to a decrease in deferred tax liabilities.

Net assets stood at 325,486 million yen, climbing 3,877 million yen from the end of the previous consolidated fiscal year mainly because of increases in foreign currency translation adjustment and retained earnings thanks to profit attributable to owners of parent, which offset a decrease in valuation difference on available-for-sale securities.

As a result, the equity ratio stood at 69.3% (compared with 67.7% at the end of the previous fiscal year), and net assets per share amounted to 3,055.99 yen (3,016.19 yen at the end of the previous fiscal year) at the end of the first quarter of the fiscal year under review.

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

The consolidated business performance forecast for the fiscal year ending March 31, 2025 remains unchanged from the business performance forecast announced on May 9, 2024.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of previous fiscal year (As of March 31, 2024)	End of first quarter of the fiscal year under review (As of June 30, 2024)
Assets		
Current assets		
Cash and deposits	80,763	73,775
Notes and accounts receivable - trade	53,984	53,683
Securities	–	995
Merchandise and finished goods	18,465	20,086
Work in process	3,909	4,310
Raw materials and supplies	8,407	8,775
Other	5,754	5,442
Allowance for doubtful accounts	(74)	(76)
Total current assets	171,208	166,991
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	38,737	39,283
Machinery, equipment and vehicles, net	23,085	23,015
Land	30,513	30,571
Lease assets, net	712	581
Construction in progress	5,636	7,149
Other, net	5,926	6,110
Total property, plant and equipment	104,609	106,709
Intangible assets		
Goodwill	9,754	9,909
Trademark right	18,013	17,879
Software	3,564	3,793
Contract-related intangible assets	17,402	17,202
Customer-related intangible assets	4,633	4,817
Software in progress	1,083	906
Other	1,373	1,434
Total intangible assets	55,821	55,940
Investments and other assets		
Investment securities	65,690	62,888
Long-term loans receivable	11	19
Deferred tax assets	698	673
Long-term time deposits	1,000	1,000
Retirement benefit asset	26,069	26,204
Distressed receivables	171	169
Long-term deposits	1,055	1,030
Other	6,594	6,821
Allowance for doubtful accounts	(1,325)	(1,293)
Total investments and other assets	99,963	97,512
Total non-current assets	260,393	260,162
Total assets	431,601	427,153

(Million yen)

	End of previous fiscal year (As of March 31, 2024)	End of first quarter of the fiscal year under review (As of June 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	22,032	22,926
Electronically recorded obligations - operating	2,229	1,870
Short-term borrowings	7,523	6,627
Lease liabilities	725	637
Accounts payable - other	12,547	10,177
Income taxes payable	4,183	2,315
Provision for bonuses	546	282
Provision for bonuses for directors (and other officers)	60	20
Provision for shareholder benefit program	108	88
Asset retirement obligations	19	7
Other	15,805	12,913
Total current liabilities	65,777	57,862
Non-current liabilities		
Long-term borrowings	193	134
Lease liabilities	3,885	4,006
Long-term accounts payable - other	139	137
Deferred tax liabilities	26,020	25,399
Retirement benefit liability	7,620	7,219
Asset retirement obligations	1,150	1,154
Long-term guarantee deposits	3,668	3,656
Other	1,539	2,100
Total non-current liabilities	44,214	43,805
Total liabilities	109,992	101,668
Net assets		
Shareholders' equity		
Share capital	9,948	9,948
Capital surplus	22,850	22,850
Retained earnings	231,199	232,430
Treasury shares	(11,933)	(11,934)
Total shareholders' equity	252,064	253,294
Accumulated other comprehensive income		
Valuation difference on available-for- sale securities	27,657	26,539
Deferred gains or losses on hedges	(55)	95
Foreign currency translation adjustment	9,293	13,009
Remeasurements of defined benefit plans	3,250	3,126
Total accumulated other comprehensive income	40,145	42,770
Non-controlling interests	29,400	29,421
Total net assets	321,609	325,486
Total liabilities and net assets	431,601	427,153

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(First three-month period)

(Million yen)

	First three-month period of previous fiscal year (April 1, 2023 - June 30, 2023)	First three-month period of the fiscal year under review (April 1, 2024 - June 30, 2024)
Net sales	70,453	74,733
Cost of sales	44,587	46,456
Gross profit	25,866	28,277
Selling, general and administrative expenses	20,953	22,700
Operating profit	4,914	5,578
Non-operating income		
Interest income	58	56
Dividend income	92	106
Rental income from buildings	223	220
Foreign exchange gains	186	9
Other	241	74
Total non-operating income	801	466
Non-operating expenses		
Interest expenses	97	8
Rental expenses	181	169
Share of loss of entities accounted for using equity method	126	48
Other	58	88
Total non-operating expenses	462	313
Ordinary profit	5,252	5,730
Extraordinary income		
Gain on sale of non-current assets	1	274
Gain on sale of restaurants	20	65
Gain on revision of retirement benefit plan	6,988	–
Other	–	38
Total extraordinary income	7,009	378
Extraordinary losses		
Loss on sale of non-current assets	0	–
Loss on retirement of non-current assets	14	25
Loss on valuation of investment securities	–	153
Impairment losses	6	–
Total extraordinary losses	20	177
Profit before income taxes	12,241	5,930
Income taxes	3,803	1,871
Profit	8,438	4,059
Profit attributable to		
Profit attributable to owners of parent	7,978	3,556
Profit attributable to non-controlling interests	460	503

(Million yen)

	First three-month period of previous fiscal year (April 1, 2023 - June 30, 2023)	First three-month period of the fiscal year under review (April 1, 2024 - June 30, 2024)
Other comprehensive income		
Valuation difference on available-for- sale securities	4,107	(1,106)
Deferred gains or losses on hedges	102	171
Foreign currency translation adjustment	152	3,843
Remeasurements of defined benefit plans, net of tax	(2,129)	(129)
Share of other comprehensive income of entities accounted for using equity method	8	2
Total other comprehensive income	2,240	2,780
Comprehensive income	10,678	6,839
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	10,106	6,181
Comprehensive income attributable to non-controlling interests	572	658

(3) Notes to Quarterly Consolidated Financial Statements

Notes Relating to Changes in Accounting Policies

Application of Accounting Standard for Current Income Taxes, etc.

The Company has applied Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”) effective from beginning of the first quarter of the fiscal year under review.

The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso (2) of paragraph 65-2 of the Implementation Guidance on Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Implementation Guidance 2022”). This change in accounting policies has no impact on the quarterly consolidated financial statements.

For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Implementation Guidance 2022 has been adopted from the beginning of the first quarter ended June 30, 2024. This change in accounting policies is applied retrospectively, and quarterly consolidated financial statements and consolidated financial statements for the previous year are after retrospective application. This change in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the previous fiscal year and the consolidated financial statements for the previous fiscal year.

Notes Relating to 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 quarter 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.

Notes to Segment Information

I. First three-month period of previous fiscal year (April 1, 2023 - June 30, 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	28,404	4,050	13,367	12,860	11,744	70,425	–	70,425	28	70,453
Sales and transfer - inter-segment	1,190	86	74	38	1,114	2,502	–	2,502	(2,502)	–
Total	29,594	4,136	13,441	12,897	12,858	72,927	–	72,927	(2,474)	70,453
Segment profit (loss)	1,794	589	1,175	930	532	5,020	–	5,020	(106)	4,914

(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 106 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 quarter of the consolidated fiscal year under review, the Company recorded impairment losses of 6 million yen associated with a fall in profitability of store assets, etc. in the Restaurant Business segment.

(Significant fluctuation in the amount of goodwill)

In the previous fiscal year, the Company acquired the shares of Keystone Natural Holdings, LLC and included Keystone Natural Holdings, LLC in the scope of consolidation. The amount of goodwill resulting from this acquisition was determined provisionally but was finalized in the first quarter of the fiscal year under review. As a result, the amount of goodwill in the International Food Business segment decreased.

II. First three-month period of the fiscal year under review (April 1, 2024 - June 30, 2024)

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	29,470	4,155	14,919	14,205	11,939	74,688	–	74,688	46	74,733
Sales and transfer - inter-segment	1,279	121	95	35	995	2,526	–	2,526	(2,526)	–
Total	30,749	4,276	15,014	14,240	12,935	77,214	–	77,214	(2,480)	74,733
Segment profit (loss)	2,853	779	1,085	755	418	5,890	–	5,890	(312)	5,578

(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 312 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

Not applicable.

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

Not applicable.

Notes Relating to Assumptions for the Going Concern

Not applicable.

Notes Relating to Quarterly Consolidated Statements of Cash Flows

The Company did not prepare quarterly consolidated statements of cash flows for the first three months under review. Depreciation (including amortization of intangible assets except for goodwill) and amortization of goodwill for the three-month period under review are as follows:

	First three-month period of previous fiscal year (April 1, 2023 - June 30, 2023)	First three-month period of the fiscal year under review (April 1, 2024 - June 30, 2024)
Depreciation	2,912 million yen	3,106 million yen
Amortization of goodwill	205 million yen	292 million yen

Notes Relating to Important Subsequent Events

(Cancellation of treasury shares)

At the Board meeting held on July 19, 2024, the Company resolved to cancel treasury shares in accordance with the provisions of Article 178 of the Companies Act. The Company plans to cancel all of its treasury shares acquired based on the resolution at the Board meeting held on May 16, 2024.

- (1) Class of shares to be cancelled: Common shares
- (2) Number of shares to be cancelled: 2,252,204 shares
(2.24% of total number of outstanding shares before the cancellation)
- (3) Scheduled cancellation date: July 31, 2024
- (4) Total number of outstanding shares after the cancellation:
98,498,416 shares
- (5) Total number of outstanding shares after the cancellation:
3,870,841 shares
(Calculated based on the number of treasury shares held as of June 30, 2024)

3. Supplementary Information

(1) Business Results

Consolidated

(Million yen)

	First quarter of FY2023		First quarter of FY2024		FY2023		FY2024 Forecast	
	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Net sales	70,453	106.2%	74,733	106.1%	299,600	108.9%	320,000	106.8%
Operating profit	4,914	98.9%	5,578	113.5%	19,470	116.7%	21,000	107.9%
Ordinary profit	5,252	93.9%	5,730	109.1%	21,085	115.2%	22,000	104.3%
Profit attributable to owners of parent	7,978	221.8%	3,556	44.6%	17,580	128.6%	13,300	75.7%
Comprehensive income	10,678	267.0%	6,839	64.1%	28,323	177.4%	–	–

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	Amount	Year-on-year change	Amount	Year-on-year change
Spice / Seasoning / Processed Food Business	29,594	104.5%	30,749	103.9%	126,287	105.4%	133,000	105.3%
Health Food Business	4,136	100.6%	4,276	103.4%	16,865	102.1%	18,000	106.7%
International Food Business	13,441	124.5%	15,014	111.7%	56,375	115.3%	62,000	110.0%
Restaurant Business	12,897	113.8%	14,240	110.4%	55,132	114.0%	61,000	110.6%
Other Food Related Business	12,858	92.4%	12,935	100.6%	55,045	108.6%	57,000	103.6%
Adjustment	(2,474)	–	(2,480)	–	(10,103)	–	(11,000)	–

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	Amount	Year-on-year change	Amount	Year-on-year change
Spice / Seasoning / Processed Food Business	1,794	79.7%	2,853	159.0%	10,832	136.9%	12,600	116.3%
Health Food Business	589	126.7%	779	132.3%	2,464	129.2%	2,500	101.5%
International Food Business	1,175	67.3%	1,085	92.3%	3,067	56.5%	3,200	104.3%
Restaurant Business	930	482.8%	755	81.2%	3,395	149.7%	3,900	114.9%
Other Food Related Business	532	146.9%	418	78.7%	1,930	156.4%	2,100	108.8%
Adjustment	(106)	–	(312)	–	(2,218)	–	(3,300)	–

(2) Number of Group Companies

	First quarter of FY2023		First quarter of FY2024		FY2023	
	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Consolidated subsidiaries	43		44		44	
Japan	17		18		18	
Overseas	26		26		26	
Equity-method affiliate	5		4		4	
Japan	2		2		2	
Overseas	3		2		2	

(3) Consolidated Statements of Income**1. Consolidated Statements of Income**

(Million yen)

	First quarter of FY2023		First quarter of FY2024		Year-on-year change	
	Amount	Percentage	Amount	Percentage	Amount	Rate of change
Net sales	70,453	100.0%	74,733	100.0%	4,280	6.1%
<By business segment>						
Spice / Seasoning / Processed Food Business	29,594	42.0%	30,749	41.1%	1,154	3.9%
Health Food Business	4,136	5.9%	4,276	5.7%	140	3.4%
International Food Business	13,441	19.1%	15,014	20.1%	1,573	11.7%
Restaurant Business	12,897	18.3%	14,240	19.1%	1,342	10.4%
Other Food Related Business	12,858	18.3%	12,935	17.3%	77	0.6%
Adjustment	(2,474)	(3.5%)	(2,480)	(3.3%)	(6)	—
Cost of sales	44,587	63.3%	46,456	62.2%	1,870	4.2%
Selling, general and administrative expenses	20,953	29.7%	22,700	30.4%	1,747	8.3%
Operating profit	4,914	7.0%	5,578	7.5%	664	13.5%
<By business segment>						
Spice / Seasoning / Processed Food Business	1,794	2.5%	2,853	3.8%	1,059	59.0%
Health Food Business	589	0.8%	779	1.0%	190	32.3%
International Food Business	1,175	1.7%	1,085	1.5%	(91)	(7.7%)
Restaurant Business	930	1.3%	755	1.0%	(174)	(18.8%)
Other Food Related Business	532	0.8%	418	0.6%	(113)	(21.3%)
Adjustment	(106)	(0.2%)	(312)	(0.4%)	(206)	—
Non-operating income	801	1.1%	466	0.6%	(335)	(41.9%)
Non-operating expenses	462	0.7%	313	0.4%	(149)	(32.2%)
Ordinary profit	5,252	7.5%	5,730	7.7%	478	9.1%
Extraordinary income	7,009	9.9%	378	0.5%	(6,631)	(94.6%)
Extraordinary losses	20	0.0%	177	0.2%	157	786.9%
Profit before income taxes	12,241	17.4%	5,930	7.9%	(6,311)	(51.6%)
Income taxes	3,803	5.4%	1,871	2.5%	(1,932)	(50.8%)
Profit	8,438	12.0%	4,059	5.4%	(4,379)	(51.9%)
Profit attributable to						
Profit attributable to owners of parent	7,978	11.3%	3,556	4.8%	(4,422)	(55.4%)
Profit attributable to non-controlling interests	460	0.7%	503	0.7%	43	9.4%
Comprehensive income	10,678	15.2%	6,839	9.2%	(3,838)	(35.9%)

2. Major Changes in Selling, General and Administrative Expenses

(Million yen)

	First quarter of FY2023	First quarter of FY2024	Year-on-year change
Advertising expenses	1,702	1,760	58
Transportation and storage costs	3,163	3,305	142
Sales commission	32	18	(14)
Promotion expenses	755	837	82
Personnel expenses	7,785	8,590	805
Research and development expenses	1,075	1,121	47
Amortization of goodwill	205	292	87
Other	6,236	6,777	541
Total selling, general and administrative expenses	20,953	22,700	1,747

3. Non-Operating Income (Expenses)

(Million yen)

	First quarter of FY2023	First quarter of FY2024	Year-on-year change
Interest income	58	56	(2)
Dividend income	92	106	14
Rental income from buildings	223	220	(3)
Foreign exchange gains	186	9	(177)
Other	241	74	(167)
Total non-operating income	801	466	(335)
Interest expenses	97	8	(89)
Rental expenses	181	169	(12)
Share of loss of entities accounted for using equity method	126	48	(78)
Other	58	88	30
Total non-operating expenses	462	313	(149)

4. Extraordinary Income (Losses)

(Million yen)

	First quarter of FY2023	First quarter of FY2024	Year-on-year change
Gain on sale of non-current assets	1	274	273
Gain on sale of restaurants	20	65	45
Gain on revision of retirement benefit plan	6,988	—	(6,988)
Other	—	38	38
Total extraordinary income	7,009	378	(6,631)
Loss on sale of non-current assets	0	—	(0)
Loss on retirement of non-current assets	14	25	11
Loss on valuation of investment securities	—	153	153
Impairment losses	6	—	(6)
Total extraordinary losses	20	177	157

5. Quarterly Statements

Consolidated

(Million yen)

	FY2023					FY2024				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Net sales	70,453	72,371	82,873	73,904	299,600	74,733				
Year-on-year change	4,130	4,863	10,885	4,662	24,540	4,280				
Operating profit	4,914	3,153	8,603	2,800	19,470	5,578				
Year-on-year change	(56)	491	1,911	438	2,784	664				
Ordinary profit	5,252	3,517	8,830	3,486	21,085	5,730				
Year-on-year change	(339)	144	2,252	728	2,785	478				
Profit attributable to owners of parent	7,978	2,847	5,537	1,218	17,580	3,556				
Year-on-year change	4,381	951	(577)	(848)	3,908	(4,422)				

Comprehensive income	10,678	6,705	11,234	(293)	28,323	6,839				
Year-on-year change	6,678	487	4,085	1,107	12,357	(3,838)				

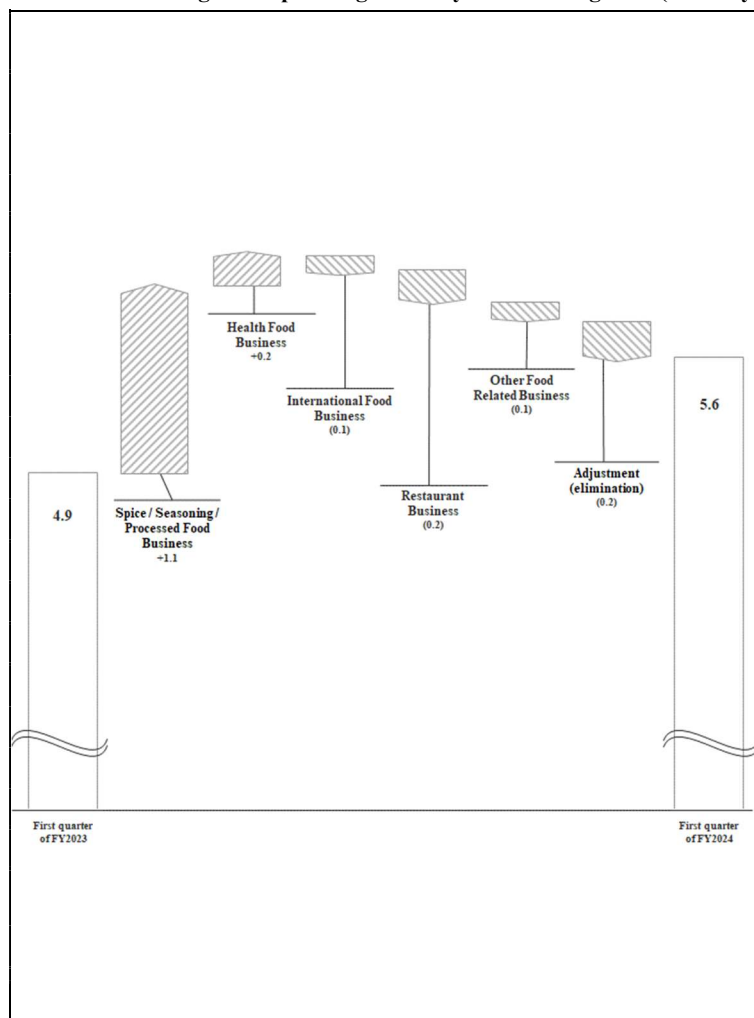
Net sales by business segment

Net sales	FY2023					FY2024				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Spice / Seasoning / Processed Food Business	29,594	30,829	35,663	30,201	126,287	30,749				
Year-on-year change	1,269	1,142	2,636	1,439	6,485	1,154				
Health Food Business	4,136	4,468	4,724	3,538	16,865	4,276				
Year-on-year change	26	56	149	115	346	140				
International Food Business	13,441	13,015	15,481	14,437	56,375	15,014				
Year-on-year change	2,645	1,191	3,135	529	7,500	1,573				
Restaurant Business	12,897	13,915	14,345	13,974	55,132	14,240				
Year-on-year change	1,563	2,303	1,910	985	6,761	1,342				
Other Food Related Business	12,858	12,891	15,187	14,108	55,045	12,935				
Year-on-year change	(1,062)	424	3,204	1,779	4,346	77				
Adjustment	(2,474)	(2,747)	(2,527)	(2,354)	(10,103)	(2,480)				
Year-on-year change	(311)	(252)	(149)	(185)	(897)	(6)				

Operating profit by business segment

Operating profit	FY2023					FY2024				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Spice / Seasoning / Processed Food Business	1,794	1,871	4,965	2,201	10,832	2,853				
Year-on-year change	(457)	917	1,401	1,056	2,917	1,059				
ROS	6.1%	6.1%	13.9%	7.3%	8.6%	9.3%				
Health Food Business	589	641	1,065	168	2,464	779				
Year-on-year change	124	30	242	161	556	190				
ROS	14.2%	14.4%	22.6%	4.8%	14.6%	18.2%				
International Food Business	1,175	(79)	1,188	783	3,067	1,085				
Year-on-year change	(572)	(1,438)	(173)	(174)	(2,357)	(91)				
ROS	8.7%	(0.6%)	7.7%	5.4%	5.4%	7.2%				
Restaurant Business	930	877	1,095	493	3,395	755				
Year-on-year change	737	423	422	(455)	1,127	(174)				
ROS	7.2%	6.3%	7.6%	3.5%	6.2%	5.3%				
Other Food Related Business	532	555	480	363	1,930	418				
Year-on-year change	170	397	182	(53)	696	(113)				
ROS	4.1%	4.3%	3.2%	2.6%	3.5%	3.2%				
Adjustment	(106)	(712)	(190)	(1,210)	(2,218)	(312)				
Year-on-year change	(59)	164	(163)	(98)	(156)	(206)				

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



Billion yen	Year-on-year change
Spice / Seasoning / Processed Food Business	+1.1
Change in sales*	+0.2
Change in cost of sales ratio*	+0.8
Marketing costs*	+0.1
Other expenses*	(0.2)
Affiliated companies, adjustment	+0.1
Health Food Business	+0.2
Change in sales	+0.0
Change in cost of sales ratio	(0.0)
Marketing costs	+0.2
Other expenses	(0.1)
International Food Business	(0.1)
Business in the United States	(0.1)
Business in China	(0.2)
Businesses in Southeast Asia	+0.2
Exports and others	+0.0
Restaurant Business	(0.2)
Other Food Related Business	(0.1)
Delica Chef Corporation	(0.1)
Vox Trading Co., Ltd. (Consolidated)	(0.0)
Adjustment (elimination)	(0.2)
Changes in operating profit	+0.7

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

(4) Consolidated Balance Sheets

Consolidated Balance Sheets

(Million yen)

	FY2023		First quarter of FY2024		Increase/decrease from end of FY2023	Major factors for increase/decrease
	Amount	Percentage	Amount	Percentage	Amount	
Current assets	171,208	39.7%	166,991	39.1%	(4,217)	Decrease in cash and deposits (6,987) Increase in merchandise and finished goods 1,621 Increase in securities 995
Non-current assets	260,393	60.3%	260,162	60.9%	(231)	Decrease in investment securities (2,802) Increase in construction in progress 1,513 Increase in buildings and structures 546
Total assets	431,601	100.0%	427,153	100.0%	(4,448)	
Current liabilities	65,777	15.2%	57,862	13.5%	(7,915)	Decrease in other current liabilities (2,892) Decrease in accounts payable - other (2,370) Decrease in income taxes payable (1,868) Decrease in short-term borrowings (895)
Non-current liabilities	44,214	10.2%	43,805	10.3%	(409)	Decrease in deferred tax liabilities (621)
Total liabilities	109,992	25.5%	101,668	23.8%	(8,324)	
Total shareholders' equity	252,064	58.4%	253,294	59.3%	1,231	Increase in retained earnings 1,231
Total accumulated other comprehensive income	40,145	9.3%	42,770	10.0%	2,625	Increase in foreign currency translation adjustment 3,716 Decrease in valuation difference on available-for-sale securities (1,118)
Non-controlling interests	29,400	6.8%	29,421	6.9%	21	
Total net assets	321,609	74.5%	325,486	76.2%	3,877	
Total liabilities and net assets	431,601	100.0%	427,153	100.0%	(4,448)	

(5) Capital Investment

Consolidated

(Million yen)

	First quarter of FY2023	First quarter of FY2024	FY2024 Forecast
Capital investment	2,893	2,924	19,400
Leases	69	39	200
Total	2,962	2,963	19,600

(6) Depreciation

Consolidated

(Million yen)

	First quarter of FY2023	First quarter of FY2024	FY2024 Forecast
Depreciation	2,912	3,106	12,400
Lease payments	168	177	300
Total	3,080	3,282	12,700

* 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

	FY2023	First quarter of FY2024	FY2024 Forecast
Profit per share	180.53 yen	36.71 yen	137.28 yen
Net assets per share	3,016.19 yen	3,055.99 yen	3,105.48 yen
Return on invested capital	4.6%	–	4.7%
ATO	0.72 times	–	0.73 times
Ratio of operating profit to net sales	6.5%	7.5%	6.6%
EBITDA margin	11.0%	12.0%	10.9%
Ratio of ordinary profit to net sales	7.0%	7.7%	6.9%
Ratio of operating profit to total assets	4.7%	–	4.8%
ROE (Return on equity)	6.2%	–	4.5%
Equity ratio	67.7%	69.3%	67.5%
Dividend per share	47.00 yen	–	48.00 yen
Dividend payout ratio	26.0%	–	35.0%
Dividend payout ratio according to the basic policy on the return of earnings to shareholders	24.8%	–	–

* From FY2024, the Company's profit distribution policy has changed to a total return ratio of 40% or higher.

Previously, the policy was 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.

	FY2023	First quarter of FY2024	FY2024 Forecast
Number of employees	6,543 people	6,705 people	–

* 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)

	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023
Curry roux	52.9	51.3	50.5	46.9	47.1	50.7
Stew roux	19.6	18.9	18.9	18.0	18.5	19.1
Hashed beef sauce roux	7.1	7.1	7.3	6.6	6.3	7.1
Retort pouched curry	70.7	75.3	78.9	78.7	81.7	86.1
Spice in total	85.9	88.4	100.6	97.0	93.1	97.6

2. Curry roux market trends (SRI+)

FY2024		1Q	2Q	3Q	4Q	1H	2H	Full year
Overall market	Average selling price	237 yen						
	Change from the previous year	+22 yen						
House Foods Corporation	Average selling price	246 yen						
	Change from the previous year	+24 yen						
	Share of amount	61.0%						

Source: SRI+ monthly data of INTAGE Inc. (April 2024 – June 2024)

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

FY2024		1Q	2Q	3Q	4Q	1H	2H	Full year
Spice / Seasoning / Processed Food Business (House Foods)								
Curry roux	*1	102.6%						
Retort pouched curry	*1	99.9%						
Stew roux	*1	95.4%						
Spice	*1	106.7%						
Health Food Business (House Wellness Foods)								
<i>Ukon No Chikara</i>	*1	98.2%						
<i>C1000</i>	*1	98.9%						
<i>Ichinichibun No Vitamin</i>	*1	98.8%						
International Food Business (Local currency basis)								
Business in the United States		103.0%						
Business in China		78.4%						
Functional drinks business in Thailand		129.7%						
Restaurant Business (Ichibanya)								
Net sales of all domestic restaurants		106.3%						
Net sales of existing domestic restaurants		107.3%						
Number of customers		103.1%						
Average sales per customer		104.1%						

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