

November 6, 2024

## Consolidated Financial Results (Japanese Accounting Standards) for the Six Months Ended September 30, 2024 (Q2 FY2024)

Company name: House Foods Group Inc.  
 Stock exchange listing: Tokyo Stock Exchange  
 Stock code: 2810  
 URL: <https://housefoods-group.com>  
 Representative: Hiroshi Urakami, President  
 Contact: Eiki Miyake, General Manager, Public & Investors Relations Division  
 Tel. +81-3-5211-6039

Scheduled date for filing of securities report: November 14, 2024  
 Scheduled date of commencement of dividend payment: December 3, 2024  
 Supplementary documents for financial results: Yes  
 Financial results briefing: Yes (for analysts and institutional investors)

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

### 1. Consolidated Financial Results for the Six Months Ended September 30, 2024 (April 1, 2024 – September 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	%
Six months ended								
September 30, 2024	154,964	8.5	9,269	14.9	9,650	10.0	5,510	(49.1)
September 30, 2023	142,824	6.7	8,067	5.7	8,770	(2.2)	10,825	97.1

(Note) Comprehensive income: 13,012 million yen (-25.1%) for the six months ended September 30, 2024  
 17,382 million yen (70.1%) for the six months ended September 30, 2023

	Profit per share (basic)		Profit per share (diluted)	
	Yen		Yen	
Six months ended				
September 30, 2024	57.69		–	
September 30, 2023	110.98		–	

#### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
September 30, 2024	426,489	323,119	68.8	3,125.41
March 31, 2024	431,601	321,609	67.7	3,016.19

(Reference) Shareholders' equity: As of September 30, 2024: 293,483 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
Year ended March 31, 2024	–	23.00	–	24.00	47.00
Year ending March 31, 2025	–	24.00			
Year ending March 31, 2025 (forecasts)			–	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)	140.38

(Note) Revisions to financial forecasts published most recently: None  
 “Profit per share” in the consolidated forecasts takes the impact of the purchase and cancellation of treasury shares undertaken during the six months of the fiscal year under review.

For details of the purchase and cancellation of treasury shares, please refer to “2. Semi-annual Consolidated Financial Statements and Key Notes (4) Notes to Semi-annual Consolidated Financial Statements (Notes for Case Where Shareholders' Equity underwent Significant Changes in Value)” on page 13 of the accompanying materials.

\* Notes

- (1) Major changes in the scope of consolidation during the period: None
- (2) Application of particular accounts procedures to the preparation of semi-annual 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. Semi-annual Consolidated Financial Statements and Key Notes (4) Notes to Semi-annual Consolidated Financial Statements (Notes Relating to Changes in Accounting Policies)" on page 11 of the Accompanying Materials for details.
- (4) Number of shares outstanding (common shares):
- |   |                    |
|---|--------------------|
| (i) Number of shares outstanding at end of period (including treasury shares) |                    |
| As of September 30, 2024:   | 98,498,416 shares  |
| As of March 31, 2024:   | 100,750,620 shares |
| (ii) Number of treasury shares at end of period                               |                    |
| As of September 30, 2024:   | 4,596,078 shares   |
| As of March 31, 2024:   | 3,870,800 shares   |
| (iii) Average number of shares outstanding during the term                    |                    |
| Six months ended September 30, 2024:  | 95,511,435 shares  |
| Six months ended September 30, 2023:  | 97,542,527 shares  |
- (Note) Number of treasury shares at end of period includes shares in the Company held by the House Foods Group Employee Shareholding Association Trust (735,500 in the six months ended September 30, 2024). In addition, treasury shares deducted when calculating the average number of shares outstanding during the term include the Company shares held by the trust (247,400 shares during the six months ended September 30, 2024).

\* Semi-annual consolidated financial results are not subject to a 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 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.

## Accompanying Materials – Contents

1. Analysis of Operating Results and Financial Position.....	2
(1) Analysis of Operating Results.....	2
(2) Analysis of Financial Position.....	4
(3) Information on the Future Outlook, Including Consolidated Business Results Forecasts.....	4
2. Semi-annual Consolidated Financial Statements and Key Notes .....	5
(1) Semi-annual Consolidated Balance Sheets .....	5
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income .....	7
(3) Semi-annual Consolidated Statements of Cash Flows .....	9
(4) Notes to Semi-annual Consolidated Financial Statements .....	11
Notes Relating to Changes in Accounting Policies .....	11
Notes Relating to Application of Particular Accounts Procedures to the Preparation of Semi-annual Consolidated Financial Statements .....	11
Notes to Segment Information .....	12
Notes for Case Where Shareholders’ Equity underwent Significant Changes in Value .....	13
Notes Relating to Assumptions for the Going Concern .....	14
Additional Information.....	14
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) Consolidated Statements of Cash Flows .....	20
(6) Capital Investment .....	21
(7) Depreciation .....	21
(8) Major Management Indicators, etc.....	21
(9) Reference Information.....	22

## 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 six months (April 1, 2024 – September 30, 2024) of the fiscal year under review, uncertainty over the future increased, including the risk of economic slowdown due to advancing inflation and interest rate fluctuations in various countries, rising business costs, polarized consumption preferences, labor shortages, and significant fluctuations in foreign exchange rates.

Net sales for the six months ended September 30, 2024 increased along with an expanded operating based, mainly in the International Food Business, Spice/Seasoning/Processed Food Business and Restaurant Business, while operating profit also increased, driven by the Spice/Seasoning/Processed Food Business. While ordinary profit rose, profit attributable to owners of parent fell due to the absence of a gain on revision of retirement benefit plan that was recorded in the same period a year earlier.

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

	Six months ended September 30, 2024	
	Amount (million yen)	Year-on-year change (%)
Net sales	154,964	108.5
Operating profit	9,269	114.9
Ordinary profit	9,650	110.0
Profit attributable to owners of parent	5,510	50.9

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

Segment	Net sales		Operating profit (Segment profit (loss))	
	Amount (million yen)	Year-on-year change (%)	Amount (million yen)	Year-on-year change (%)
Spice / Seasoning / Processed Food Business	63,270	104.7	5,384	146.9
Health Food Business	8,721	101.4	1,387	112.7
International Food Business	30,762	116.3	1,697	154.9
Restaurant Business	29,578	110.3	1,744	96.5
Other Food Related Business	28,077	109.0	645	59.3
Subtotal	160,409	108.4	10,857	122.2
Adjustment (elimination)	(5,445)	–	(1,588)	–
Total	154,964	108.5	9,269	114.9

(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 under this segment, which is centered around House Foods Corporation, efforts have been made to establish new prices following two price revisions implemented in the previous two periods, and to achieve a recovery in sales volume. At the same time, the business has worked to sustainably enhance profitability by promoting cost reduction initiatives. Net sales increased, reflecting strong performance particularly for curry roux, spices and retort pouched curry products. Curry roux contributed to the increase in net sales due to higher unit prices from price revisions

along with the release of new products, while rising awareness of disaster readiness on the part of consumers impacted increased demand for retort pouched curry products. For the food service business operated by House Gaban Corporation, net sales also increased, benefitting from strong sales against the backdrop of an expanding restaurant market in addition to price revisions implemented in September last year. Profitability improved, thanks to the effect of higher sales and price revisions, as well as the efficient use of marketing costs.

As a result of the above, sales in the Spice/Seasoning/Processed Food Business stood at 63,270 million yen, up 4.7% year on year, and operating profit was 5,384 million yen, up 46.9% year on year. Consequently, the ratio of operating profit to net sales was 8.5%, rising 2.4 percentage points from a year earlier.

### **Health Food Business**

House Wellness Foods Corporation, which handles this segment, is focusing on further strengthening the revenue base in the domestic business and building the Functional Ingredients VC globally.

Looking at net sales, performance was on par with the same period in the previous year for key brands *Ukon No Chikara* and *C1000*, but in response to an increasingly intense competitive environment in the jelly market, *Ichinichibun No Vitamin Jelly* sales declined year on year. However, increased sales were secured for the segment overall with the lactobacillus business making progress with handling volume as a food ingredient. 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 1.4% year on year, to 8,721 million yen, and operating profit increased 12.7%, to 1,387 million yen. Consequently, the ratio of operating profit to net sales was 15.9%, rising 1.6 percentage points from a year earlier.

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

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

In the tofu business in the United States, sale at Keystone Natural Holdings were poor, but sales and profit increased overall thanks to sales growth at House Foods America Corporation, owing to the success of channel-specific sales measures.

The curry business in China reported declines in sales and profit overall. In the household use business, sales and profit both fell, significantly impacted by efforts in the first quarter to reduce distribution inventories to normal levels. 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 16.3% year on year, to 30,762 million yen, and operating profit increased 54.9%, to 1,697 million yen. Consequently, the ratio of operating profit to net sales was 5.5%, rising 1.4 percentage points from a year earlier.

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

In this business segment, we are focusing on strengthening the profitability of the existing domestic business, expanding the overseas business, and developing new business formats.

Net sales increased, reflecting various sales measures and price revisions implemented in August by Ichibanya Co., Ltd. which operates the domestic business. Profit fell, significantly impacted by rising purchase prices for food ingredients

and other items in the domestic business, along with increases in personnel and distribution costs.

As a result of the above, sales in the Restaurant Business increased 10.3% year on year, to 29,578 million yen, and operating profit declined 3.5% year on year, to 1,744 million yen. As a result, the ratio of operating profit to net sales was 5.9%, declining 0.8 percentage point from the same period of the previous fiscal year.

### **Other Food Related Business**

Delica Chef Corporation recorded a fall in sales and profit, reflecting a decline in sales of prepared food and desserts, along with increased labor costs and other expenses.

At Vox Trading Co., Ltd., profit declined due to the strong effects of increased costs for some materials, offsetting the increase in sales.

As a result of the above, sales in Other Food Related Business increased 9.0% year on year, to 28,077 million yen, and operating profit declined 40.7% year on year, to 645 million yen. As a result, the ratio of operating profit to net sales was 2.3%, declining 1.9 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 second quarter of the fiscal year under review is as follows:

Total assets were 426,489 million yen, a decrease of 5,111 million yen from the end of the previous consolidated fiscal year.

Current assets fell 2,719 million yen, to 168,489 million yen mainly due to a decrease in cash and deposits, which offset increases in securities and merchandise and finished goods. Non-current assets declined 2,393 million yen, to 258,000 million yen, mainly due to a decrease in investment securities, which offset increases in construction in progress and buildings and structures.

Liabilities stood at 103,370 million yen, a decrease of 6,622 million yen from the end of the previous consolidated fiscal year.

Current liabilities declined 7,029 million yen, to 58,749 million yen, chiefly due to a decrease in accounts payable - other. Non-current liabilities increased 407 million yen, to 44,622 million yen, chiefly due to an increase in long-term borrowings, offsetting a decrease in deferred tax liabilities.

Net assets stood at 323,119 million yen, climbing 1,510 million yen from the end of the previous consolidated fiscal year, mainly due to an increase in foreign currency translation adjustment, offsetting a decline in retained earnings due to the cancellation of treasury shares, and a decrease in valuation difference on available-for-sale securities.

As a result, the equity ratio stood at 68.8% (compared with 67.7% at the end of the previous fiscal year), and net assets per share amounted to 3,125.41 yen (3,016.19 yen at the end of the previous fiscal year) at the end of the second 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. Semi-annual Consolidated Financial Statements and Key Notes

### (1) Semi-annual Consolidated Balance Sheets

(Million yen)

	End of previous fiscal year (As of March 31, 2024)	End of first half of the fiscal year under review (As of September 30, 2024)
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	80,763	73,152
Notes and accounts receivable - trade	53,984	54,165
Securities	–	2,997
Merchandise and finished goods	18,465	19,765
Work in process	3,909	4,236
Raw materials and supplies	8,407	8,791
Other	5,754	5,458
Allowance for doubtful accounts	(74)	(74)
<b>Total current assets</b>	<b>171,208</b>	<b>168,489</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	38,737	39,883
Machinery, equipment and vehicles, net	23,085	23,960
Land	30,513	30,763
Lease assets, net	712	601
Construction in progress	5,636	7,189
Other, net	5,926	6,401
<b>Total property, plant and equipment</b>	<b>104,609</b>	<b>108,797</b>
<b>Intangible assets</b>		
Goodwill	9,754	10,053
Trademark right	18,013	17,745
Software	3,564	3,790
Contract-related intangible assets	17,402	17,002
Customer-related intangible assets	4,633	5,010
Software in progress	1,083	902
Other	1,373	1,470
<b>Total intangible assets</b>	<b>55,821</b>	<b>55,973</b>
<b>Investments and other assets</b>		
Investment securities	65,690	58,782
Long-term loans receivable	11	19
Deferred tax assets	698	649
Long-term time deposits	1,000	1,000
Retirement benefit asset	26,069	26,341
Distressed receivables	171	169
Long-term deposits	1,055	1,028
Other	6,594	6,528
Allowance for doubtful accounts	(1,325)	(1,286)
<b>Total investments and other assets</b>	<b>99,963</b>	<b>93,230</b>
<b>Total non-current assets</b>	<b>260,393</b>	<b>258,000</b>
<b>Total assets</b>	<b>431,601</b>	<b>426,489</b>

(Million yen)

	End of previous fiscal year (As of March 31, 2024)	End of first half of the fiscal year under review (As of September 30, 2024)
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	22,032	21,513
Electronically recorded obligations - operating	2,229	1,944
Short-term borrowings	7,523	7,097
Lease liabilities	725	689
Accounts payable - other	12,547	8,493
Income taxes payable	4,183	3,932
Provision for bonuses	546	602
Provision for bonuses for directors (and other officers)	60	41
Provision for shareholder benefit program	108	172
Asset retirement obligations	19	6
Other	15,805	14,260
<b>Total current liabilities</b>	<b>65,777</b>	<b>58,749</b>
<b>Non-current liabilities</b>		
Long-term borrowings	193	2,212
Lease liabilities	3,885	4,252
Long-term accounts payable - other	139	129
Deferred tax liabilities	26,020	24,418
Retirement benefit liability	7,620	7,296
Asset retirement obligations	1,150	1,174
Long-term guarantee deposits	3,668	3,610
Other	1,539	1,531
<b>Total non-current liabilities</b>	<b>44,214</b>	<b>44,622</b>
<b>Total liabilities</b>	<b>109,992</b>	<b>103,370</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	9,948	9,948
Capital surplus	22,850	22,850
Retained earnings	231,199	227,788
Treasury shares	(11,933)	(13,395)
<b>Total shareholders' equity</b>	<b>252,064</b>	<b>247,191</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for- sale securities	27,657	25,049
Deferred gains or losses on hedges	(55)	89
Foreign currency translation adjustment	9,293	18,158
Remeasurements of defined benefit plans	3,250	2,995
<b>Total accumulated other comprehensive income</b>	<b>40,145</b>	<b>46,292</b>
<b>Non-controlling interests</b>	<b>29,400</b>	<b>29,636</b>
<b>Total net assets</b>	<b>321,609</b>	<b>323,119</b>
<b>Total liabilities and net assets</b>	<b>431,601</b>	<b>426,489</b>



## (2) Semi-annual Consolidated Statements of Income and Comprehensive Income

(Million yen)

	First six-month period of previous fiscal year (April 1, 2023 - September 30, 2023)	First six-month period of the fiscal year under review (April 1, 2024 - September 30, 2024)
<b>Net sales</b>	142,824	154,964
<b>Cost of sales</b>	90,859	98,161
<b>Gross profit</b>	51,965	56,803
<b>Selling, general and administrative expenses</b>	43,898	47,533
<b>Operating profit</b>	8,067	9,269
<b>Non-operating income</b>		
Interest income	141	140
Dividend income	427	503
Rental income from buildings	443	438
Foreign exchange gains	45	–
Other	389	197
<b>Total non-operating income</b>	1,445	1,277
<b>Non-operating expenses</b>		
Interest expenses	191	26
Rental expenses	367	341
Foreign exchange losses	–	365
Share of loss of entities accounted for using equity method	72	19
Other	112	145
<b>Total non-operating expenses</b>	742	897
<b>Ordinary profit</b>	8,770	9,650
<b>Extraordinary income</b>		
Gain on sale of non-current assets	1	272
Gain on sale of investment securities	1,967	11
Gain on sale of restaurants	20	69
Gain on revision of retirement benefit plan	6,988	–
Other	4	41
<b>Total extraordinary income</b>	8,980	393
<b>Extraordinary losses</b>		
Loss on sale of non-current assets	0	2
Loss on retirement of non-current assets	117	112
Loss on valuation of investment securities	254	243
Impairment losses	312	162
<b>Total extraordinary losses</b>	684	519
<b>Profit before income taxes</b>	17,066	9,523
<b>Income taxes</b>	5,531	3,086
<b>Profit</b>	11,535	6,437
Profit attributable to		
<b>Profit attributable to owners of parent</b>	10,825	5,510
<b>Profit attributable to non-controlling interests</b>	710	927

(Million yen)

	First six-month period of previous fiscal year (April 1, 2023 - September 30, 2023)	First six-month period of the fiscal year under review (April 1, 2024 - September 30, 2024)
<b>Other comprehensive income</b>		
Valuation difference on available-for- sale securities	2,853	(2,575)
Deferred gains or losses on hedges	475	173
Foreign currency translation adjustment	4,786	9,211
Remeasurements of defined benefit plans, net of tax	(2,309)	(259)
Share of other comprehensive income of entities accounted for using equity method	42	25
<b>Total other comprehensive income</b>	<b>5,847</b>	<b>6,575</b>
<b>Comprehensive income</b>	<b>17,382</b>	<b>13,012</b>
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,283	11,657
Comprehensive income attributable to non-controlling interests	1,099	1,354

### (3) Semi-annual Consolidated Statements of Cash Flows

(Million yen)

	First six-month period of previous fiscal year (April 1, 2023 - September 30, 2023)	First six-month period of the fiscal year under review (April 1, 2024 - September 30, 2024)
<b>Cash flows from operating activities</b>		
Profit before income taxes	17,066	9,523
Depreciation	6,033	6,282
Amortization of goodwill	441	595
Impairment losses	312	162
Share of (profit) loss of entities accounted for using equity method	72	19
Loss (gain) on valuation of investment securities	254	243
Increase (decrease) in allowance for doubtful accounts	(50)	(39)
Increase (decrease) in provision for bonuses for directors (and other officers)	(29)	(19)
Increase (decrease) in provision for shareholder benefit program	9	63
Increase (decrease) in retirement benefit liability	(266)	(135)
Interest and dividend income	(568)	(643)
Interest expenses	191	26
Foreign exchange losses (gains)	87	496
Loss (gain) on sale of investment securities	(1,967)	(11)
Loss (gain) on sale of non-current assets	(1)	(270)
Loss on retirement of non-current assets	117	112
Loss (gain) on sale of restaurants	(20)	(69)
Gain on revision of retirement benefit plan	(6,988)	-
Decrease (increase) in trade receivables	(2,025)	555
Decrease (increase) in inventories	(2,195)	(1,428)
Increase (decrease) in trade payables	1,819	(1,150)
Increase (decrease) in accounts payable - bonuses	44	56
Increase (decrease) in long-term guarantee deposits	(48)	(59)
Decrease (increase) in other assets	(373)	256
Increase (decrease) in other liabilities	(1,105)	(3,752)
<b>Subtotal</b>	<b>10,811</b>	<b>10,815</b>
Interest and dividend income received	563	516
Interest paid	(7)	(27)
Income taxes paid	(2,258)	(3,629)
<b>Net cash provided by (used in) operating activities</b>	<b>9,108</b>	<b>7,675</b>

(Million yen)

	First six-month period of previous fiscal year (April 1, 2023 - September 30, 2023)	First six-month period of the fiscal year under review (April 1, 2024 - September 30, 2024)
<b>Cash flows from investing activities</b>		
Payments into time deposits	(1,778)	(558)
Proceeds from withdrawal of time deposits	753	485
Purchase of securities	(1,584)	(2,000)
Proceeds from sale of securities	3,196	–
Purchase of property, plant and equipment	(5,851)	(7,203)
Proceeds from sale of property, plant and equipment	60	400
Gain on sale of restaurants	28	128
Purchase of intangible assets	(934)	(955)
Proceeds from sale of intangible assets	0	–
Purchase of investment securities	(355)	(96)
Proceeds from sale of investment securities	3,025	2,237
Purchase of membership	(0)	(2)
Purchase of shares of subsidiaries and associates	(46)	–
Proceeds from divestments	1	0
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(817)	–
<b>Net cash provided by (used in) investing activities</b>	<b>(4,303)</b>	<b>(7,565)</b>
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	(551)	(489)
Proceeds from share issuance to non-controlling shareholders	69	–
Repayments of lease liabilities	(572)	(513)
Repayments of long-term borrowings	(34)	(64)
Proceeds from long-term borrowings	–	2,089
Purchase of treasury shares	(1)	(8,088)
Purchase of treasury shares of subsidiaries	(106)	(0)
Dividends paid	(2,244)	(2,324)
Dividends paid to non-controlling interests	(1,104)	(1,159)
<b>Net cash provided by (used in) financing activities</b>	<b>(4,544)</b>	<b>(10,548)</b>
<b>Effect of exchange rate change on cash and cash equivalents</b>	<b>1,808</b>	<b>2,701</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,068</b>	<b>(7,736)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>62,682</b>	<b>80,165</b>
<b>Cash and cash equivalents at end of period</b>	<b>64,750</b>	<b>72,428</b>

#### **(4) Notes to Semi-annual 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 six months 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 semi-annual 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 six months ended September 30, 2024. This change in accounting policies is applied retrospectively, and semi-annual 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 semi-annual consolidated financial statements for the same period 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 Semi-annual 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 six 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.

## Notes to Segment Information

### I. First six-month period of previous fiscal year (April 1, 2023 - September 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	57,726	8,407	26,332	26,749	23,562	142,775	–	142,775	49	142,824
Sales and transfer – inter-segment	2,698	197	125	63	2,187	5,270	–	5,270	(5,270)	–
Total	60,424	8,604	26,457	26,813	25,749	148,045	–	148,045	(5,221)	142,824
Segment profit (loss)	3,666	1,230	1,096	1,806	1,087	8,885	–	8,885	(818)	8,067

(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 818 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 semi-annual 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 six months of the consolidated fiscal year under review, the Company recorded impairment losses of 312 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 six months of the fiscal year under review. As a result, the amount of goodwill in the International Food Business segment decreased.

## II. First six-month period of the fiscal year under review (April 1, 2024 - September 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	60,625	8,471	30,456	29,486	25,842	154,880	–	154,880	84	154,964
Sales and transfer – inter-segment	2,644	250	306	92	2,236	5,529	–	5,529	(5,529)	–
Total	63,270	8,721	30,762	29,578	28,077	160,409	–	160,409	(5,445)	154,964
Segment profit (loss)	5,384	1,387	1,697	1,744	645	10,857	–	10,857	(1,588)	9,269

(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 1,588 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 semi-annual 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 six months of the consolidated fiscal year under review, the Company recorded impairment losses of 162 million yen associated with a fall in profitability of store assets, etc. in the Restaurant Business segment.

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

The Company resolved, by a written resolution on May 6, 2024 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 completed the acquisition of 2,252,204 treasury shares over the period from May 17, 2024 to June 13, 2024. As a result, treasury shares increased by 6,000 million yen during the first half of the fiscal year under review.

The Company completed the cancellation of 2,252,204 treasury shares as of July 31, 2024 based on a resolution at the meeting of the Board of Directors held on July 19, 2024. As a result, treasury shares and retained earnings each decreased by 6,596 million yen during the first half of the fiscal year under review.

In addition, the Company completed the acquisition of the Company's own shares in connection with the adoption of the Trust-Type Employee Shareholding Incentive Plan (E-Ship®). As a result, treasury shares increased by 2,088 million yen and 735,500 shares during the first half of the fiscal year under review.

Accordingly, as of the end of the first half of the fiscal year under review, retained earnings amounted to 227,788 million yen, and treasury shares were 13,395 million yen.

## Notes Relating to Assumptions for the Going Concern

Not applicable.

### Additional Information

(Transactions of delivering the Company's own stock to employees, etc. through trusts)

From July 2024, the Company adopted the Trust-Type Employee Shareholding Incentive Plan (E-Ship®) (the "Plan") as an incentive scheme for the Company's employees to improve the Company's corporate value over the medium and long term.

#### (1) Overview of transactions

The Plan is an incentive plan available for all employees participating in the Employee Shareholding Association. Under the Plan, the Company will establish the House Foods Group Employee Shareholding Association Trust (the "E-Ship Trust") at a trust bank. The E-Ship Trust will acquire the Company's shares in advance in the number expected to be acquired by the Shareholding Association over three years after the establishment. Thereafter, the E-Ship Trust will make sales of the Company's shares to the Shareholding Association on a continuous basis. Upon the conclusion of the trust, if there are any accumulated gains on sales of shares within the E-Ship Trust, such gains on sales of shares will be allocated as residual assets to employees who meet eligibility requirements as beneficiaries. Further, since the Company will guarantee loans undertaken by the E-Ship Trust to acquire the Company's shares, if there is any accumulated loss on sales of shares within the E-Ship Trust due to the decline of the Company's share price and there are any remaining loan amounts equivalent to the loss on sales of shares as of the conclusion of the Trust, the Company will repay such loans.

#### (2) The Company's shares remaining in the trust

The Company's shares remaining in the E-Ship Trust are recorded under net assets as treasury shares at the book value in the E-Ship Trust (excluding incidental expenses). As of the end of the first half of the fiscal year under review, the book value of the Company's shares remaining in the E-Ship Trust was 2,088 million yen and the number of such shares was 735,500 shares.

#### (3) Book value of borrowings recorded due to application of the gross method

2,089 million yen as of the end of the first half of the fiscal year under review



### 3. Supplementary Information

#### (1) Business Results

##### Consolidated

(Million yen)

	First half of FY2023		First half 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	142,824	106.7%	154,964	108.5%	299,600	108.9%	320,000	106.8%
Operating profit	8,067	105.7%	9,269	114.9%	19,470	116.7%	21,000	107.9%
Ordinary profit	8,770	97.8%	9,650	110.0%	21,085	115.2%	22,000	104.3%
Profit attributable to owners of parent	10,825	197.1%	5,510	50.9%	17,580	128.6%	13,300	75.7%
Comprehensive income	17,382	170.1%	13,012	74.9%	28,323	177.4%	–	–

##### Net sales by business segment

Net sales	First half of FY2023		First half 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
Spice / Seasoning / Processed Food Business	60,424	104.2%	63,270	104.7%	126,287	105.4%	133,000	105.3%
Health Food Business	8,604	101.0%	8,721	101.4%	16,865	102.1%	18,000	106.7%
International Food Business	26,457	117.0%	30,762	116.3%	56,375	115.3%	62,000	110.0%
Restaurant Business	26,813	116.8%	29,578	110.3%	55,132	114.0%	61,000	110.6%
Other Food Related Business	25,749	97.6%	28,077	109.0%	55,045	108.6%	57,000	103.6%
Adjustment	(5,221)	–	(5,445)	–	(10,103)	–	(11,000)	–

##### Operating profit by business segment

Operating profit	First half of FY2023		First half 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
Spice / Seasoning / Processed Food Business	3,666	114.4%	5,384	146.9%	10,832	136.9%	12,600	116.3%
Health Food Business	1,230	114.3%	1,387	112.7%	2,464	129.2%	2,500	101.5%
International Food Business	1,096	35.3%	1,697	154.9%	3,067	56.5%	3,200	104.3%
Restaurant Business	1,806	279.4%	1,744	96.5%	3,395	149.7%	3,900	114.9%
Other Food Related Business	1,087	208.8%	645	59.3%	1,930	156.4%	2,100	108.8%
Adjustment	(818)	–	(1,588)	–	(2,218)	–	(3,300)	–

#### (2) Number of Group Companies

	First half of FY2023		First half of FY2024		FY2023	
	Number	Change	Number	Change	Number	Change
Consolidated subsidiaries	43		46		44	
Japan	17		19		18	
Overseas	26		27		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 half of FY2023		First half of FY2024		Year-on-year change	
	Amount	Percentage	Amount	Percentage	Amount	Rate of change
<b>Net sales</b>	<b>142,824</b>	<b>100.0%</b>	<b>154,964</b>	<b>100.0%</b>	<b>12,140</b>	<b>8.5%</b>
<By business segment>						
Spice / Seasoning / Processed Food Business	60,424	42.3%	63,270	40.8%	2,846	4.7%
Health Food Business	8,604	6.0%	8,721	5.6%	118	1.4%
International Food Business	26,457	18.5%	30,762	19.9%	4,306	16.3%
Restaurant Business	26,813	18.8%	29,578	19.1%	2,765	10.3%
Other Food Related Business	25,749	18.0%	28,077	18.1%	2,329	9.0%
Adjustment	(5,221)	(3.7%)	(5,445)	(3.5%)	(223)	-
Cost of sales	90,859	63.6%	98,161	63.3%	7,302	8.0%
Selling, general and administrative expenses	43,898	30.7%	47,533	30.7%	3,635	8.3%
<b>Operating profit</b>	<b>8,067</b>	<b>5.6%</b>	<b>9,269</b>	<b>6.0%</b>	<b>1,202</b>	<b>14.9%</b>
<By business segment>						
Spice / Seasoning / Processed Food Business	3,666	2.6%	5,384	3.5%	1,719	46.9%
Health Food Business	1,230	0.9%	1,387	0.9%	157	12.7%
International Food Business	1,096	0.8%	1,697	1.1%	601	54.9%
Restaurant Business	1,806	1.3%	1,744	1.1%	(62)	(3.5%)
Other Food Related Business	1,087	0.8%	645	0.4%	(442)	(40.7%)
Adjustment	(818)	(0.6%)	(1,588)	(1.0%)	(770)	-
Non-operating income	1,445	1.0%	1,277	0.8%	(168)	(11.6%)
Non-operating expenses	742	0.5%	897	0.6%	155	20.9%
<b>Ordinary profit</b>	<b>8,770</b>	<b>6.1%</b>	<b>9,650</b>	<b>6.2%</b>	<b>880</b>	<b>10.0%</b>
Extraordinary income	8,980	6.3%	393	0.3%	(8,588)	(95.6%)
Extraordinary losses	684	0.5%	519	0.3%	(165)	(24.1%)
Profit before income taxes	17,066	11.9%	9,523	6.1%	(7,543)	(44.2%)
Income taxes	5,531	3.9%	3,086	2.0%	(2,445)	(44.2%)
Profit	11,535	8.1%	6,437	4.2%	(5,098)	(44.2%)
Profit attributable to						
<b>Profit attributable to owners of parent</b>	<b>10,825</b>	<b>7.6%</b>	<b>5,510</b>	<b>3.6%</b>	<b>(5,315)</b>	<b>(49.1%)</b>
Profit attributable to non-controlling interests	710	0.5%	927	0.6%	217	30.6%
<b>Comprehensive income</b>	<b>17,382</b>	<b>12.2%</b>	<b>13,012</b>	<b>8.4%</b>	<b>(4,370)</b>	<b>(25.1%)</b>

**2. Major Changes in Selling, General and Administrative Expenses**

(Million yen)

	First half of FY2023	First half of FY2024	Year-on-year change
Advertising expenses	3,996	4,084	87
Transportation and storage costs	6,404	6,687	284
Sales commission	70	47	(23)
Promotion expenses	1,818	1,926	109
Personnel expenses	15,837	17,411	1,574
Research and development expenses	2,258	2,339	82
Amortization of goodwill	441	595	154
Other	13,074	14,444	1,369
Total selling, general and administrative expenses	43,898	47,533	3,635

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

(Million yen)

	First half of FY2023	First half of FY2024	Year-on-year change
Interest income	141	140	(2)
Dividend income	427	503	76
Rental income from buildings	443	438	(5)
Foreign exchange gains	45	–	(45)
Other	389	197	(192)
Total non-operating income	1,445	1,277	(168)
Interest expenses	191	26	(165)
Rental expenses	367	341	(25)
Foreign exchange losses	–	365	365
Share of loss of entities accounted for using equity method	72	19	(53)
Other	112	145	33
Total non-operating expenses	742	897	155

**4. Extraordinary Income (Losses)**

(Million yen)

	First half of FY2023	First half of FY2024	Year-on-year change
Gain on sale of non-current assets	1	272	271
Gain on sale of investment securities	1,967	11	(1,957)
Gain on sale of restaurants	20	69	49
Gain on revision of retirement benefit plan	6,988	–	(6,988)
Other	4	41	37
Total extraordinary income	8,980	393	(8,588)
Loss on sale of non-current assets	0	2	2
Loss on retirement of non-current assets	117	112	(5)
Loss on valuation of investment securities	254	243	(11)
Impairment losses	312	162	(150)
Total extraordinary losses	684	519	(165)

## 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	80,231			154,964
Year-on-year change	4,130	4,863	10,885	4,662	24,540	4,280	7,860			12,140
Operating profit	4,914	3,153	8,603	2,800	19,470	5,578	3,692			9,269
Year-on-year change	(56)	491	1,911	438	2,784	664	539			1,202
Ordinary profit	5,252	3,517	8,830	3,486	21,085	5,730	3,920			9,650
Year-on-year change	(339)	144	2,252	728	2,785	478	403			880
Profit attributable to owners of parent	7,978	2,847	5,537	1,218	17,580	3,556	1,954			5,510
Year-on-year change	4,381	951	(577)	(848)	3,908	(4,422)	(893)			(5,315)
Comprehensive income	10,678	6,705	11,234	(293)	28,323	6,839	6,173			13,012
Year-on-year change	6,678	487	4,085	1,107	12,357	(3,838)	(532)			(4,370)

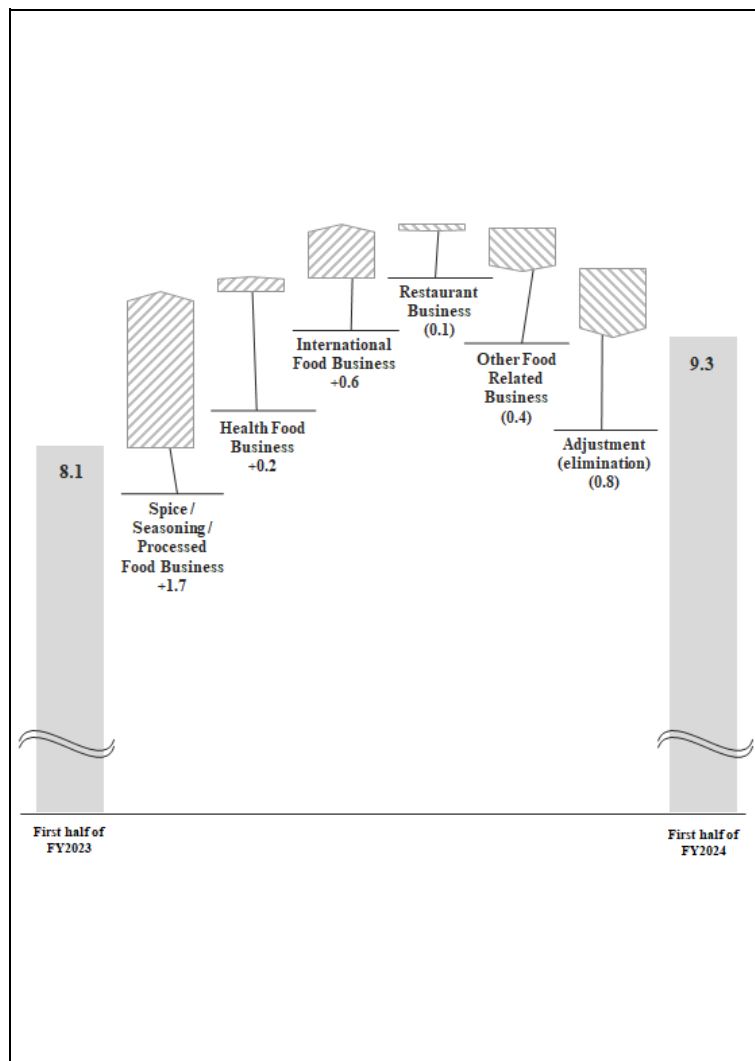
### Net sales by business segment

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	32,521			63,270
Year-on-year change	1,269	1,142	2,636	1,439	6,485	1,154	1,692			2,846
Health Food Business	4,136	4,468	4,724	3,538	16,865	4,276	4,445			8,721
Year-on-year change	26	56	149	115	346	140	(22)			118
International Food Business	13,441	13,015	15,481	14,437	56,375	15,014	15,748			30,762
Year-on-year change	2,645	1,191	3,135	529	7,500	1,573	2,733			4,306
Restaurant Business	12,897	13,915	14,345	13,974	55,132	14,240	15,338			29,578
Year-on-year change	1,563	2,303	1,910	985	6,761	1,342	1,423			2,765
Other Food Related Business	12,858	12,891	15,187	14,108	55,045	12,935	15,142			28,077
Year-on-year change	(1,062)	424	3,204	1,779	4,346	77	2,252			2,329
Adjustment	(2,474)	(2,747)	(2,527)	(2,354)	(10,103)	(2,480)	(2,964)			(5,445)
Year-on-year change	(311)	(252)	(149)	(185)	(897)	(6)	(217)			(223)

### 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	2,532			5,384
Year-on-year change	(457)	917	1,401	1,056	2,917	1,059	660			1,719
ROS	6.1%	6.1%	13.9%	7.3%	8.6%	9.3%	7.8%			8.5%
Health Food Business	589	641	1,065	168	2,464	779	608			1,387
Year-on-year change	124	30	242	161	556	190	(33)			157
ROS	14.2%	14.4%	22.6%	4.8%	14.6%	18.2%	13.7%			15.9%
International Food Business	1,175	(79)	1,188	783	3,067	1,085	613			1,697
Year-on-year change	(572)	(1,438)	(173)	(174)	(2,357)	(91)	692			601
ROS	8.7%	(0.6%)	7.7%	5.4%	5.4%	7.2%	3.9%			5.5%
Restaurant Business	930	877	1,095	493	3,395	755	989			1,744
Year-on-year change	737	423	422	(455)	1,127	(174)	112			(62)
ROS	7.2%	6.3%	7.6%	3.5%	6.2%	5.3%	6.4%			5.9%
Other Food Related Business	532	555	480	363	1,930	418	226			645
Year-on-year change	170	397	182	(53)	696	(113)	(329)			(442)
ROS	4.1%	4.3%	3.2%	2.6%	3.5%	3.2%	1.5%			2.3%
Adjustment	(106)	(712)	(190)	(1,210)	(2,218)	(312)	(1,275)			(1,588)
Year-on-year change	(59)	164	(163)	(98)	(156)	(206)	(563)			(770)

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



Billion yen	Year-on-year change
Spice / Seasoning / Processed Food Business	+1.7
Change in sales*	+1.0
Change in cost of sales ratio*	+0.7
Marketing costs*	+0.3
Other expenses*	(0.4)
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	+0.6
Business in the United States	+0.1
Business in China	(0.2)
Businesses in Southeast Asia	+0.6
Exports and others	+0.0
Restaurant Business	(0.1)
Other Food Related Business	(0.4)
Delica Chef Corporation	(0.3)
Vox Trading Co., Ltd. (Consolidated)	(0.2)
Adjustment (elimination)	(0.8)
Changes in operating profit	+1.2

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

#### (4) Consolidated Balance Sheets

##### Consolidated Balance Sheets

(Million yen)

	FY2023		First half of FY2024		Increase/decrease from end of FY2023	Major factors for increase/decrease
	Amount	Percentage	Amount	Percentage	Amount	
Current assets	171,208	39.7%	168,489	39.5%	(2,719)	Decrease in cash and deposits (7,611) Increase in securities 2,997 Increase in merchandise and finished goods 1,299
Non-current assets	260,393	60.3%	258,000	60.5%	(2,393)	Decrease in investment securities (6,908) Increase in construction in progress 1,553 Increase in buildings and structures 1,145 Increase in machinery, equipment and vehicles 875
<b>Total assets</b>	<b>431,601</b>	<b>100.0%</b>	<b>426,489</b>	<b>100.0%</b>	<b>(5,111)</b>	
Current liabilities	65,777	15.2%	58,749	13.8%	(7,029)	Decrease in accounts payable - other (4,054) Decrease in other current liabilities (1,545)
Non-current liabilities	44,214	10.2%	44,622	10.5%	407	Increase in long-term borrowings 2,019 Decrease in deferred tax liabilities (1,601)
<b>Total liabilities</b>	<b>109,992</b>	<b>25.5%</b>	<b>103,370</b>	<b>24.2%</b>	<b>(6,622)</b>	
Total shareholders' equity	252,064	58.4%	247,191	58.0%	(4,872)	Decrease in retained earnings (3,411) Increase in treasury shares (1,461)
Total accumulated other comprehensive income	40,145	9.3%	46,292	10.9%	6,147	Increase in foreign currency translation adjustment 8,865 Decrease in valuation difference on available-for-sale securities (2,607)
Non-controlling interests	29,400	6.8%	29,636	6.9%	235	
<b>Total net assets</b>	<b>321,609</b>	<b>74.5%</b>	<b>323,119</b>	<b>75.8%</b>	<b>1,510</b>	
<b>Total liabilities and net assets</b>	<b>431,601</b>	<b>100.0%</b>	<b>426,489</b>	<b>100.0%</b>	<b>(5,111)</b>	

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

##### Consolidated Statements of Cash Flows

(Million yen)

	First half of FY2023	First half of FY2024	Year-on-year change	Major factors for increase/decrease
Cash flows from operating activities	9,108	7,675	(1,433)	Profit before income taxes (7,543) Increase (decrease) in trade payables (2,969) Gain on revision of retirement benefit plan 6,988 Decrease (increase) in trade receivables 2,581
Cash flows from investing activities	(4,303)	(7,565)	(3,261)	Proceeds from sale of securities (3,196) Purchase of property, plant and equipment (1,352) Payments into time deposits 1,220
Cash flows from financing activities	(4,544)	(10,548)	(6,003)	Purchase of treasury shares (8,087) Proceeds from long-term borrowings 2,089
Cash and cash equivalents at end of period	64,750	72,428	7,678	

## (6) Capital Investment

### Consolidated

(Million yen)

	First half of FY2023	First half of FY2024	FY2024 Forecast
Capital investment	7,170	5,615	15,800
Leases	191	145	400
Total	7,361	5,760	16,200

## (7) Depreciation

### Consolidated

(Million yen)

	First half of FY2023	First half of FY2024	FY2024 Forecast
Depreciation	6,033	6,282	12,900
Lease payments	281	362	700
Total	6,314	6,644	13,600

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

## (8) Major Management Indicators, etc.

### Consolidated

	FY2023	First half of FY2024	FY2024 Forecast
Profit per share	180.53 yen	57.69 yen	140.38 yen
Net assets per share	3,016.19 yen	3,125.41 yen	3,129.46 yen
Return on invested capital	4.6%	–	4.8%
ATO	0.72 times	–	0.73 times
Ratio of operating profit to net sales	6.5%	6.0%	6.6%
EBITDA margin	11.0%	10.4%	10.9%
Ratio of ordinary profit to net sales	7.0%	6.2%	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%	68.8%	66.9%
Dividend per share	47.00 yen	24.00 yen	48.00 yen
Dividend payout ratio	26.0%	41.6%	34.2%
Dividend payout ratio according to the basic policy on the return of earnings to shareholders	24.8%	–	–

\*1. The Company's shares held by the House Foods Group Employee Shareholding Association Trust, which is a Trust-Type Employee Shareholding Incentive Plan (E-Ship®), are included in the number of treasury shares that are deducted in the calculation of the average number of common shares outstanding during the period for the purpose of calculating profit per share.

\*2. The Company's shares held by the House Foods Group Employee Shareholding Association Trust, which is a Trust-Type Employee Shareholding Incentive Plan (E-Ship®), are included in the number of treasury shares that are deducted from the number of common shares at the end of the period to calculate the net assets per share.

\*3. 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.

Number of employees	6,543 people	6,659 people	–
---------------------	--------------	--------------	---

\* Excluding those on leave of absence and part-time workers

## (9) Reference Information

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

(Billion yen)

	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	239 yen			238 yen		238 yen
	Change from the previous year	+22 yen	+4 yen			+13 yen		+13 yen
House Foods Corporation	Average selling price	246 yen	246 yen			246 yen		246 yen
	Change from the previous year	+24 yen	+0 yen			+12 yen		+12 yen
	Share of amount	61.0%	62.7%			61.9%		61.9%

Source: SRI+ monthly data of INTAGE Inc. (April 2024 – September 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%	110.4%			106.4%		106.4%
Retort pouched curry	*1	99.9%	114.9%			107.4%		107.4%
Stew roux	*1	95.4%	89.4%			91.3%		91.3%
Spice	*1	106.7%	106.6%			106.7%		106.7%
Health Food Business (House Wellness Foods)								
<i>Ukon No Chikara</i>	*1	98.2%	101.6%			99.9%		99.9%
<i>C1000</i>	*1	98.9%	102.2%			100.7%		100.7%
<i>Ichinichibun No Vitamin</i>	*1	98.8%	93.8%			96.1%		96.1%
International Food Business (Local currency basis)								
Business in the United States		103.0%	102.6%			102.8%		102.8%
Business in China		78.4%	101.7%			90.3%		90.3%
Functional drinks business in Thailand		129.7%	165.5%			145.9%		145.9%
Restaurant Business (Ichibanya)								
Net sales of all domestic restaurants		106.3%	108.9%			107.6%		107.6%
Net sales of existing domestic restaurants		107.3%	109.8%			108.6%		108.6%
Number of customers		103.1%	101.5%			102.3%		102.3%
Average sales per customer		104.1%	108.2%			106.2%		106.2%

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