

Consolidated Financial Results for the Six Months Ended December 31, 2021 [Japanese GAAP]



February 10, 2022

Company name: ICHIMASA KAMABOKO Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2904

URL: <https://www.ichimasa.co.jp/global/en/>

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Scheduled date of filing quarterly securities report: February 14, 2022

Scheduled date of commencing dividend payments: —

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended December 31, 2021 (July 1, 2021 – December 31, 2021)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2021	17,593	—	777	(50.0)	831	(47.6)	631	(48.5)
December 31, 2020	19,571	(1.5)	1,553	31.1	1,585	29.7	1,225	70.8

(Note) Comprehensive income: Six months ended December 31, 2021: ¥508 million [(62.1) %]

Six months ended December 31, 2020: ¥1,340 million [100.5 %]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
December 31, 2021	34.28	—
December 31, 2020	66.50	—

(Note) “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and related guidelines have been adopted effective the beginning of the first quarter of the current fiscal year. Key financial data for the six months ended December 31, 2021 above is figures after the adoption of these accounting standards, etc. and the change in net sales from the previous corresponding period is not presented.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of December 31, 2021	26,106	13,858	53.1
As of June 30, 2021	22,216	13,585	61.2

(Reference) Equity: As of December 31, 2021: ¥13,858 million

As of June 30, 2021: ¥13,585 million

(Note) “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and related guidelines have been adopted effective the beginning of the first quarter of the current fiscal year. Key financial data for the six months ended December 31, 2021 above is figures after the adoption of these accounting standards, etc.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2021	—	0.00	—	10.00	10.00
Fiscal year ending June 30, 2022	—	0.00			
Fiscal year ending June 30, 2022 (Forecast)			—	12.00	12.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2022 (July 1, 2021 - June 30, 2022)

(% indicates changes from the previous corresponding period.)

(% indicates changes from the previous corresponding period.)								
	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	Yen
	34,000	—	1,400	(19.4)	1,400	(22.5)	950 (64.6)	51.54

(Notes) 1. Revision to the financial results forecast announced most recently: None

2. As “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and related guidelines have been adopted, the consolidated financial results forecasts above are figures after the adoption of these accounting standards, etc. and the changes in net sales from the previous full year and corresponding period of the previous year are not presented.

*** Notes:**

- (1) Changes in significant subsidiaries during the period under review: None
(Changes in specified subsidiaries resulting in changes in scope of consolidation):
Newly included: – (), Excluded: – ()
- (2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements:
None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: Yes
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of issued and outstanding shares (common shares)
- 1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

As of December 31, 2021:	18,590,000 shares
As of June 30, 2021:	18,590,000 shares
 - 2) Total number of treasury shares at the end of the period:

As of December 31, 2021:	215,288 shares
As of June 30, 2021:	158,688 shares
 - 3) Average number of shares during the period (cumulative quarterly accounting period):

Six months ended December 31, 2021:	18,415,141 shares
Six months ended December 31, 2020:	18,428,732 shares

Note: The Company has introduced the Board Benefit Trust (BBT) and the number of treasury shares at the end of each period includes shares of the Company held by the BBT (150,200 shares as of December 31, 2021 and 93,600 shares as of June 30, 2021). The number of treasury shares deducted in the calculation of the average number of shares during each period includes shares of the Company held by the BBT (109,771 shares for the six months ended December 31, 2021 and 96,200 shares for the six months ended December 31, 2020).

* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

*** Explanation of the proper use of financial results forecast and other notes**

The financial results forecasts and other forward-looking statements contained herein are based on the information available to the Company and certain assumptions deemed reasonable as of the date of this report and do not constitute a promise by the Company to achieve these forecasts. Actual results may be significantly different from these forecasts due to various factors. For the assumptions on which the financial results forecasts are based and the cautions and other related matters to consider when using thereof, please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the attachment.

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1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

In the six months ended December 31, 2021, economic activity remained sluggish with the Tokyo Olympic and Paralympic Games held without spectators, which had been expected to jump-start an economic recovery, and a sharp rise in positive COVID-19 cases with the emergence of new variants, and a prolonged state of emergency and localized priority measures to prevent the spread of COVID-19. Economic activity was on a gradual recovery mode after the state of emergency was lifted in October, but the recovery outlook remained uncertain as the emergence of Omicron, a new coronavirus variant, increased the threat of a rapid spread of infection.

In addition, costs are increasing beyond expectations, such as soaring prices of surimi and other raw materials, rises in energy prices driven by a global economic recovery, and rising labor costs resulting from labor shortages, which are becoming chronic, and the business environment surrounding the Group has become increasingly severe.

Under these circumstances, the Group entered the first year of its 2nd Medium-term Management Plan, which extends from July 2021 to June 2026, with the ICHIMASA30 Vision (the Company's vision for FY2045) as its aim. It is addressing business issues with the basic policy of "establishing the foundations for business growth and earnings capability through daring challenges toward markets in Japan and overseas and the certain achievement of a first-stage 'growth trajectory.'"

Further, the maintenance of the global environment is essential for the sustainable growth and development of corporate activity. With the aim of achieving the Sustainable Development Goals (SDGs), the Group established the ICHIMASA KAMABOKO ESG Management Declaration on July 1, 2021 to promote ESG-oriented management that will both contribute to the realization of a sustainable society and enhance corporate value and is striving to resolve sustainability issues with the cooperation of stakeholders.

As a result, for the six months ended December 31, 2021, the Company posted net sales of ¥17,593 million, operating profit of ¥777 million (down ¥776 million or 50.0% from the same period of the previous fiscal year), ordinary profit of ¥831 million (down ¥754 million or 47.6% from the same period of the previous fiscal year), and profit attributable to owners of parent of ¥631 million (down ¥594 million or 48.5% from the same period of the previous fiscal year).

The performance of each segment is as follows.

(Fish-paste Products and Side Dishes Business)

The Company's mainstay product, *kanikama* (crab-flavored kamaboko), has enjoyed strong popularity as an easily accessible source of fish meat protein, as health consciousness continues to rise.

Within this category, the time-limited product, "Salad Stick Edamame-Flavor," and "Large Kanikama," a satisfying way to eat quality fish meat protein, both proved very popular, the former as summer snacks to accompany drinks and the latter as a key ingredient for special-day dishes at home.

In terms of products for the "*osechi*", Japanese traditional New Year's day food, sales grew for the "Jun" series kamaboko and *datemaki* rolled omelet, whose main and auxiliary ingredients are all made in Japan,

Regarding oden products, due to the effects of unseasonal rainy weather in August and low temperatures resulting from autumn rain fronts and typhoons in September, demand for pre-cooked oden products increased thanks to their convenience but deep-fried products performed poorly.

In terms of profit, due to growing health consciousness around the world and increased demand for processed seafood products driven by economic growth in emerging nations, surimi prices have remained at high levels. A global rise in energy prices driven by an economic recovery from the impact of the COVID-19 pandemic and rising edible oil prices affected by a decreased crop of grains, etc. amid a bad weather resulted in profit falling below that of the same period of the previous fiscal year.

As a result, for the six months ended December 31, 2021, this segment posted net sales of ¥15,205 million and segment profit or operating profit of ¥361 million (segment profit or operating profit of ¥871 million for the same period of the previous fiscal year).

(Mushroom Business)

Market prices of vegetables in general and mushrooms remained solid in mid-August due to poor vegetable growth amid lack of sunlight and lower atmospheric temperatures but were generally low in July and a period from October as weather was relatively stable, resulting in a favorable vegetable growth. In addition, as demand weakened after a large supply went into the market, the environment for mushroom sales was severe.

In terms of production, efforts were made toward stable cultivation, production efficiency improvements, and the strengthening of quality control systems, while in the sales area, the Company worked to strengthen its menu proposals to increase demand for home cooking.

As a result, for the six months ended December 31, 2021, this segment posted net sales of ¥2,126 million, and segment profit or operating profit of ¥387 million (segment profit or operating profit of ¥624 million for the same period of the previous fiscal year).

(Transport Business and Warehouse Business)

For the transport business, handling volume increased thanks to increased sales efforts, but net sales fell slightly from the same period of the previous fiscal year affected by a lower handling volume of vegetables and fruits. Profit decreased from the same period of the previous fiscal year due to soaring fuel prices and increases in depreciation resulting from capital investments.

For the warehouse business, net sales increased from the same period of the previous fiscal year thanks to efforts to pursue further opportunities in business with existing customers, but profit dropped from the same period of the previous fiscal year, affected in part by changes in the handling of deposited goods.

As a result, for the six months ended December 31, 2021, net sales in others, non-reportable segments were ¥261 million, and segment profit or operating profit was ¥22 million (segment profit or operating profit of ¥49 million for the same period of the previous fiscal year).

(2) Explanation of Financial Position

(Current assets)

Current assets as of December 31, 2021 were ¥10,966 million (an increase of ¥3,091 million from the end of the previous fiscal year). This is mainly attributable to a decrease in cash and deposits and increases in accounts receivable - trade and raw materials and supplies due to seasonal factors.

(Non-current assets)

Non-current assets as of December 31, 2021 were ¥15,140 million (an increase of ¥799 million from the end of the previous fiscal year). This is mainly attributable to the progression of depreciation of property, plant and equipment and an increase in construction in progress of the second headquarters factory.

(Current liabilities)

Current liabilities as of December 31, 2021 were ¥10,275 million (an increase of ¥4,056 million from the end of the previous fiscal year). This is mainly attributable to increases in short-term borrowings and notes and accounts payable - trade due to seasonal factors.

(Non-current liabilities)

Non-current liabilities as of December 31, 2021 were ¥1,972 million (a decrease of ¥439 million from the end of the previous fiscal year). This is mainly attributable to a decrease in long-term borrowings.

(Net assets)

Net assets as of December 31, 2021 were ¥13,858 million (an increase of ¥273 million from the end of the previous fiscal year) due mainly to the recording of profit attributable to owners of parent and payment of dividends, while equity ratio decreased to 53.1% from 61.2% at the end of the previous fiscal year due to an increase in total assets driven by a seasonal increase in accounts receivable - trade.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

There are no changes to the consolidated financial results forecasts for the full fiscal year ending June 30, 2022

announced on August 6, 2021.

Should the business environment change due to the situation regarding the spread of COVID-19 or other reasons and revision of the consolidated financial results forecasts become necessary, the Company will promptly disclose revised forecasts.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of June 30, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	1,320,890	1,070,810
Accounts receivable - trade	2,876,174	6,330,405
Merchandise and finished goods	687,705	431,779
Work in process	522,311	332,117
Raw materials and supplies	1,954,420	2,497,486
Other	514,930	305,366
Allowance for doubtful accounts	(540)	(972)
Total current assets	7,875,893	10,966,993
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,374,542	4,290,737
Machinery, equipment and vehicles, net	2,868,063	2,746,460
Tools, furniture and fixtures, net	172,113	169,199
Land	3,179,344	3,179,344
Leased assets, net	206,444	200,339
Construction in progress	42,438	1,303,464
Total property, plant and equipment	10,842,947	11,889,545
Intangible assets	501,445	470,286
Investments and other assets		
Investment securities	2,633,867	2,441,907
Other	386,452	362,760
Allowance for doubtful accounts	(24,500)	(24,500)
Total investments and other assets	2,995,819	2,780,168
Total non-current assets	14,340,212	15,140,000
Total assets	22,216,105	26,106,994
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,924,397	2,826,832
Short-term borrowings	1,677,037	3,280,267
Income taxes payable	30,079	219,941
Provision for bonuses	81,653	82,794
Accounts payable - other, and accrued expenses	1,978,329	2,376,832
Other	527,482	1,488,772
Total current liabilities	6,218,979	10,275,439
Non-current liabilities		
Bonds payable	300,000	250,000
Long-term borrowings	1,593,548	1,150,744
Provision for retirement benefits for directors (and other officers)	34,160	34,995
Provision for share awards for directors (and other officers)	92,210	90,137
Deferred tax liabilities	—	57,484
Other	392,030	389,479
Total non-current liabilities	2,411,949	1,972,841
Total liabilities	8,630,928	12,248,281

(Thousand yen)

	As of June 30, 2021	As of December 31, 2021
Net assets		
Shareholders' equity		
Share capital	940,000	940,000
Capital surplus	650,000	650,000
Retained earnings	10,940,341	11,386,339
Treasury shares	(119,646)	(169,402)
Total shareholders' equity	12,410,694	12,806,936
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,186,541	1,049,090
Foreign currency translation adjustment	(12,059)	2,686
Total accumulated other comprehensive income	1,174,481	1,051,776
Total net assets	13,585,176	13,858,712
Total liabilities and net assets	22,216,105	26,106,994

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statements of Income

Six Months Ended December 31

(Thousand yen)

	For the six months ended December 31, 2020	For the six months ended December 31, 2021
Net sales	19,571,694	17,593,141
Cost of sales	13,804,274	13,996,330
Gross profit	5,767,419	3,596,811
Selling, general and administrative expenses	4,213,508	2,819,424
Operating profit	1,553,910	777,386
Non-operating income		
Interest income	99	500
Dividend income	17,934	17,831
Rental income	14,555	9,535
Commission income	16,057	15,636
Electricity sale income	10,804	11,344
Share of profit of entities accounted for using equity method	540	3,079
Miscellaneous income	12,107	13,558
Total non-operating income	72,099	71,486
Non-operating expenses		
Interest expenses	14,989	11,956
Depreciation	5,394	5,394
Depreciation of inactive non-current assets	18,419	—
Miscellaneous losses	1,467	245
Total non-operating expenses	40,270	17,596
Ordinary profit	1,585,739	831,277
Extraordinary income		
Gain on sale of non-current assets	231,862	2,365
Gain on sale of investment securities	32,297	118,636
Insurance claim income	39,256	—
Total extraordinary income	303,416	121,002
Extraordinary losses		
Loss on retirement of non-current assets	780	443
Impairment losses	156,605	—
Total extraordinary losses	157,386	443
Profit before income taxes	1,731,769	951,835
Income taxes - current	574,021	193,283
Income taxes - deferred	(67,736)	127,304
Total income taxes	506,284	320,588
Profit	1,225,485	631,247
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	1,225,485	631,247

Quarterly Consolidated Statements of Comprehensive Income

Six Months Ended December 31

(Thousand yen)

	For the six months ended December 31, 2020	For the six months ended December 31, 2021
Profit	1,225,485	631,247
Other comprehensive income		
Valuation difference on available-for-sale securities	77,221	(137,451)
Foreign currency translation adjustment	38,542	—
Share of other comprehensive income of entities accounted for using equity method	(909)	14,745
Total other comprehensive income	114,854	(122,705)
Comprehensive income	1,340,339	508,541
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,340,339	508,541
Comprehensive income attributable to non-controlling interests	—	—

(3) Quarterly Consolidated Statements of Cash Flows

(Thousand yen)

	For the six months ended December 31, 2020	For the six months ended December 31, 2021
Cash flows from operating activities		
Profit before income taxes	1,731,769	951,835
Depreciation	621,605	691,814
Impairment losses	156,605	—
Increase (decrease) in allowance for doubtful accounts	1,217	432
Increase (decrease) in provision for bonuses	2,133	1,141
Increase (decrease) in provision for retirement benefits for directors (and other officers)	1,362	835
Increase (decrease) in provision for share awards for directors	9,125	(2,073)
Increase (decrease) in provision for loss on liquidation of subsidiaries	3,818	—
Interest and dividend income	(18,034)	(18,332)
Interest expenses	14,989	11,956
Share of loss (profit) of entities accounted for using equity method	(540)	(3,079)
Loss (gain) on sale of investment securities	(32,297)	(118,636)
Insurance claim income	(39,256)	—
Loss (gain) on sale of non-current assets	(231,862)	(2,365)
Loss on retirement of non-current assets	780	443
Decrease (increase) in trade receivables	(3,706,363)	(3,707,863)
Decrease (increase) in inventories	166,940	(96,945)
Increase (decrease) in trade payables	390,115	998,545
Increase (decrease) in accounts payable - other, and accrued expenses	339,437	401,226
Other, net	125,980	365,420
Subtotal	(462,471)	(525,644)
Proceeds from insurance income	150,000	—
Income taxes paid	(290,390)	(43,589)
Income taxes refund	—	247,092
Net cash provided by (used in) operating activities	(602,862)	(322,141)
Cash flows from investing activities		
Decrease (increase) in time deposits	(2)	(1,000)
Purchase of property, plant and equipment	(580,934)	(886,855)
Proceeds from sale of property, plant and equipment	641,489	4,051
Purchase of intangible assets	—	(6,296)
Purchase of investment securities	(2,832)	(2,855)
Proceeds from sale of investment securities	107,297	135,226
Interest and dividends received	18,034	18,332
Other, net	190,124	—
Net cash provided by (used in) investing activities	373,176	(739,396)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,545,000	1,800,000
Repayments of long-term borrowings	(841,158)	(639,574)
Redemption of bonds	(120,000)	(50,000)
Interest paid	(14,548)	(11,776)
Dividends paid	(148,199)	(185,249)
Other, net	(29,515)	(102,942)
Net cash provided by (used in) financing activities	1,391,578	810,457
Effect of exchange rate change on cash and cash equivalents	22,328	—
Net increase (decrease) in cash and cash equivalents	1,184,220	(251,079)
Cash and cash equivalents at beginning of period	1,283,279	1,286,873
Cash and cash equivalents at end of period	2,467,500	1,035,793

(4) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

Not applicable.

(Changes in accounting policies)

(Adoption of Accounting Standard for Revenue Recognition, etc.)

The Company has adopted the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020; hereinafter "Revenue Recognition Standard") and related guidelines effective the beginning of the first quarter of the current fiscal year. In line with this adoption, revenue is recognized upon the transfer of control for promised goods or services to customers in an amount that reflects the consideration to which they expect to be entitled in exchange for those goods or services.

With this adoption, whereas sales commissions, logistics costs, and other considerations paid to customers were previously treated as "selling, general and administrative expenses," their treatment has changed to a method of deducting them from "net sales."

The Revenue Recognition Standard has been adopted in accordance with the transitional treatment set forth in the proviso of Paragraph 84 of the Revenue Recognition Standard, but there has been no effect on retained earnings at the beginning of the first quarter of the current fiscal year.

As a result, "net sales," "gross profit," and "selling, general and administrative expenses" each declined by ¥1,357,171 thousand. There was no effect on "operating profit," "ordinary profit" or "profit before income taxes." Further, in accordance with the transitional treatment set forth in Paragraph 28-15 of the Accounting Standard for Quarterly Financial Reporting (ASBJ Statement No. 12, March 31, 2020), information about breakdown of revenue from contracts with customers for the second quarter of the previous fiscal year has not been presented.

(Adoption of Accounting Standard for Fair Value Measurement)

The Company has adopted the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019; hereinafter "Fair Value Measurement Standard") and related guidelines effective the beginning of the first quarter of the current fiscal year. In accordance with the transitional treatment set forth in Paragraph 19 of the Fair Value Measurement Standard and Paragraph 44-2 of the Accounting Standard for Financial Instruments (ASBJ Statement No. 10, July 4, 2019), the Company will continue to apply new accounting policies prescribed by the Fair Value Measurement Standard and other standards proactively. This adoption has no effect on the quarterly consolidated financial statements.

(Additional information)

(Accounting estimates related to the effects of the spread of COVID-19)

In the six months ended December 31, 2021, there were no material changes to the contents of the Securities Report for the previous fiscal year.

(Segment information, etc.)

[Segment information]

I. For the six months ended December 31, 2020 (from July 1, 2020 to December 31, 2020)

1. Information on net sales and profit (loss) by reportable segment

(Thousand yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Fish-paste Products and Side Dishes Business	Mushroom Business	Total				
Net sales							
Net sales to outside customers	16,796,432	2,527,310	19,323,742	247,951	19,571,694	—	19,571,694
Inter-segment net sales or transfers	—	—	—	1,335,690	1,335,690	(1,335,690)	—
Total	16,796,432	2,527,310	19,323,742	1,583,641	20,907,384	(1,335,690)	19,571,694
Segment profit	871,877	624,087	1,495,965	49,091	1,545,057	8,853	1,553,910

(Notes) 1. The “Others” category refers to the transport business and warehouse business not included in reportable segments.

2. The adjustment of ¥8,853 thousand in segment profit is primarily elimination of intersegment transactions.

3. Segment profit has been adjusted with operating profit in the Quarterly Consolidated Statements of Income.

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

(Thousand yen)

	Reportable segment			Others	Corporate / elimination	Total
	Fish-paste Products and Side Dishes Business	Mushroom Business	Total			
Impairment loss	156,605	—	156,605	—	—	156,605

II. For the six months ended December 31, 2021 (from July 1, 2021 to December 31, 2021)

1. Information on net sales and profit (loss) and disaggregation of revenue by reportable segment

(Thousand yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Fish-paste Products and Side Dishes Business	Mushroom Business	Total				
Net sales							
Revenue from contracts with customers	15,205,433	2,126,625	17,332,058	261,082	17,593,141	—	17,593,141
Other revenue	—	—	—	—	—	—	—
Net sales to outside customers	15,205,433	2,126,625	17,332,058	261,082	17,593,141	—	17,593,141
Inter-segment net sales or transfers	—	—	—	253,431	253,431	(253,431)	—
Total	15,205,433	2,126,625	17,332,058	514,514	17,846,573	(253,431)	17,593,141
Segment profit	361,798	387,072	748,871	22,212	771,083	6,302	777,386

(Notes) 1. The “Others” category refers to the transport business and warehouse business not included in reportable segments.

2. The adjustment of ¥6,302 thousand in segment profit is primarily elimination of intersegment transactions.

3. Segment profit has been adjusted with operating profit in the Quarterly Consolidated Statements of Income.

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

Not applicable.

3. Matters concerning changes to reportable segments, etc.

As stated in “Changes in accounting policies,” the Company has adopted the Revenue Recognition Standard and related guidelines effective the beginning of the first quarter of the current fiscal year and changed its methods for the accounting treatment concerning revenue recognition. For this reason, the Company has made similar changes to the methods for measuring profit or loss of its business segments. Due to these changes, compared with the previous methods, net sales in the Fish-paste Products and Side Dishes Business and Mushroom Business have declined by ¥1,250,705 thousand and ¥106,466 thousand, respectively. There is no effect on segment profit.