

November 7, 2023

Consolidated Financial Results (Japanese Accounting Standards) for the Six Months Ended September 30, 2023 (Q2 FY2023)

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 Stock exchange listing: Tokyo Stock Exchange
 Stock code: 2810
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 Scheduled date of commencement of dividend payment: December 4, 2023
 Supplementary documents for quarterly results: Yes
 Quarterly results briefing: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the Six Months Ended September 30, 2023 (April 1, 2023 – September 30, 2023)

(1) Consolidated Results of Operations (Accumulated Total)

(Percentages show year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Six months ended								
September 30, 2023	142,824	6.7	8,067	5.7	8,770	(2.2)	10,825	97.1
September 30, 2022	133,831	7.8	7,632	(15.5)	8,964	(13.3)	5,493	(23.8)

(Note) Comprehensive income: 17,382 million yen (70.1%) for the six months ended September 30, 2023
 10,217 million yen (4.6%) for the six months ended September 30, 2022

	Profit per share (basic)		Profit per share (diluted)	
	Yen		Yen	
Six months ended				
September 30, 2023	110.98		–	
September 30, 2022	55.88		–	

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of				
September 30, 2023	415,544	315,390	68.9	2,935.73
March 31, 2023	396,910	301,335	68.6	2,791.56

(Reference) Shareholders' equity: As of September 30, 2023: 286,371 million yen
 As of March 31, 2023: 272,285 million yen

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

2. Dividends

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

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

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

(Percentage figures represent the changes from the previous year)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Year ending March 31, 2024	302,800	10.1	20,000	19.9	21,200	15.8	18,000	31.7	185.04

(Note) 1. Revisions to financial forecasts published most recently: Yes

For details, please refer to “(3) Information on the Future Outlook, Including Consolidated Business Results Forecasts” under “1. Qualitative Information on Results for the First Half Ended September 30, 2023” on page 5 of the accompanying materials.

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

* Notes

- (1) Changes of important subsidiaries during the period
(changes of specific subsidiaries in accordance with changes in the scope of consolidation): None
- (2) Application of particular accounts procedures to the preparation of quarterly consolidated financial statements: Yes
- (3) Changes in accounting policies and changes or restatement of accounting estimates
- | | |
|--|------|
| (i) Changes in accounting policies caused by revision of accounting standards: | None |
| (ii) Changes in accounting policies other than (i): | None |
| (iii) Changes in accounting estimates: | None |
| (iv) Restatement: | None |
- (4) Number of shares outstanding (common shares):
- | | |
|---|--------------------|
| (i) Number of shares outstanding at end of period (including treasury shares) | |
| As of September 30, 2023: | 100,750,620 shares |
| As of March 31, 2023: | 100,750,620 shares |
| (ii) Number of treasury shares at end of period | |
| As of September 30, 2023: | 3,203,920 shares |
| As of March 31, 2023: | 3,212,078 shares |
| (iii) Average number of shares outstanding during the term | |
| Six months ended September 30, 2023: | 97,542,527 shares |
| Six months ended September 30, 2022: | 98,288,290 shares |

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

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

- The forward-looking statements such as result forecasts included in this document are based on the information available to the Company at the time of the announcement and on certain assumptions considered reasonable, and the Company makes no representations as to their achievability. Actual results may differ materially from the forecast depending on a range of factors.
- For other matters related to the forecasts, please refer to “(3) Information on the Future Outlook, Including Consolidated Business Results Forecasts” under “1. Qualitative Information on Results for the First Half Ended September 30, 2023” on page 5 of the accompanying materials.

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1. Qualitative Information on Results for the First Half Ended September 30, 2023

(1) Details of Operating Results

House Foods Group currently conducts business management based on five business segments; however, the Group is in the process of shifting towards the development of strategies for realizing its aspirations for each of its four value chains (hereinafter referred to as “VC”): Spice VC, Functional Ingredients VC, Soybean VC and Value Added Vegetable VC, based on the theme of striving to become a high quality company that provides “Healthy Life Through Foods” <Chapter 2> Striving for Four Value Chains set out in the Seventh Medium-term Business Plan.

During the first six months (April 1, 2023 – September 30, 2023) of the fiscal year under review, which is the final fiscal year of the Seventh Medium-term Business Plan, the business environment was volatile, with changes in the market environment associated with increases in raw material prices and the resumption of economic activity and changes in consumer behavior associated with rising inflation, and the outlook remained uncertain.

To summarize the Group’s performance based on its business segments under such conditions, the International Food Business reported a significant drop in profit due to changes in the market environment in each area of operation; however, the other four businesses posted higher profits and the Group as whole achieved gains in sales and profits, as Group companies in Japan and overseas revised prices and pursued cost efficiency in response to pressure from the rising cost of raw materials and other commodities. While ordinary profit fell, profit attributable to owners of parent rose due to the recording of extraordinary income associated with revision of the retirement benefit plan at House Foods Corporation, which is consolidated subsidiary of the Company.

In addition, the Group acquired US-based Keystone Natural Holdings, LLC on September 30, 2022, and allocation of the purchase price paid in the business combination was completed during the first quarter of the fiscal year under review. Year-on-year comparison/analysis is based on amounts after allocation of the purchase price. Please refer to “2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes to Quarterly Consolidated Financial Statements (Business Combination, etc.)” for details.

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

	Six months ended September 30, 2023	
	Amount (million yen)	Year-on-year change (%)
Net sales	142,824	106.7
Operating profit	8,067	105.7
Ordinary profit	8,770	97.8
Profit attributable to owners of parent	10,825	197.1

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	60,424	104.2	3,666	114.4
Health Food Business	8,604	101.0	1,230	114.3
International Food Business	26,457	117.0	1,096	35.3
Restaurant Business	26,813	116.8	1,806	279.4
Other Food Related Business	25,749	97.6	1,087	208.8
Subtotal	148,045	106.9	8,885	103.9
Adjustment (elimination)	(5,221)	–	(818)	–
Total	142,824	106.7	8,067	105.7

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

Spice / Seasoning / Processed Food Business

In the household use business of this segment, sales recovered mostly in line with expectations, reflecting the continued implementation of price revisions initiated the previous fiscal year as well as efforts to enhance sales backup measures to firmly establish the new prices and efforts to create demand through the introduction of high added value products. Also in the food service business, we have been operating as House Gaban Corporation, a new company formed through the integration of the food service business of House Foods Corporation and Gaban Co., Ltd., since April this year, and business is on a recovery path thanks to a rebound in demand associated with the resumption of economic activity.

As a result of the above, sales in the Spice/Seasoning/Processed Food Business stood at 60,424 million yen, up 4.2% year on year, and operating profit was 3,666 million yen, up 14.4% year on year. Consequently, the ratio of operating profit to net sales was 6.1%, improving 0.5 percentage point from a year ago.

Health Food Business

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

In the first half of the fiscal year under review, *Ukon No Chikara* and *Ichinichi-bun No Vitamin Jelly*, which has been a focus of our efforts, both performed strongly; however, some products such as *Marude Smoothie* fought an uphill battle, leading to net sales on a par with the same period a year earlier but higher profit thanks to a cost efficiency drive.

As a result of the above, sales in the Health Food Business rose 1.0% year on year, to 8,604 million yen, and operating profit increased 14.3%, to 1,230 million yen. Consequently, the ratio of operating profit to net sales was 14.3%, rising 1.7 percentage points from a year earlier.

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

In the tofu business in the United States, House Foods America Corporation (HFA) posted gains in sales and profit, and Keystone Natural Holdings, LLC also achieved operating profit; however, the tofu business as a whole reported an increase in sales and a decrease in profit, partly due to the amortization of goodwill and other intangible assets associated with the acquisition of Keystone Natural Holdings, LLC. Looking at HFA's business results, the tofu business, which accounts for around 90% of all HFA's business, posted lower profit, with price revisions proving not sufficiently effective in offsetting higher costs as a result of inflation; however, the Japanese import business recovered from its slump a year earlier and achieved much higher profit, which contributed to HFA's performance.

The curry business in China generated higher sales but posted lower profit due to upfront costs. The household use business posted a gain in sales and a decline in profit, reflecting expenditure on promotional activities to expand sales but failure to achieve the expected expansion in sales due to the impact of changes in consumer behavior associated with deteriorating business confidence and the absence of the previous year's high demand for home-cooked meals. The food service business posted increased sales partly thanks to the effect of the adoption of products by new customers but reported decreased profit, reflecting higher costs resulting from the resumption of business activities which had been put on hold under the zero-COVID policy last fiscal year.

The functional drink business in Thailand registered sharp drops in sales and profit, because of the dramatic changes in the beverages market as a whole such as decreased demand for vitamins associated with immunity needs following the resumption of economic activity, because of the slump in traditional trade channels due to the movement of people back into urban areas and withdrawal of government support measures, and also because the distribution inventories built up to encourage sales during the fourth quarter of the previous fiscal year took time to return to reasonable levels.

As a result of the above, sales in the International Food Business rose 17.0% year on year, to 26,457 million yen, and operating profit decreased 64.7%, to 1,096 million yen. As a result, the ratio of operating profit to net sales was 4.1%,

declining 9.6 percentage point from the same period of the previous fiscal year.

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

This business segment is strengthening the earning capacity of existing business and developing new business formats. Ichibanya Co., Ltd., which is responsible for the domestic business, saw year-on-year increases in net sales at existing stores, the number of customers and average customer spend, partly due to the effects of menu measures and promotional activities, in addition to more movement of people with the resumption of economic activity. Meanwhile, overseas stores performed strongly due mainly to recovery of the economy in most regions after COVID.

As a result of the above, sales in the Restaurant Business increased 16.8% year on year, to 26,813 million yen, and operating profit increased 179.4% year on year, to 1,806 million yen. Consequently, the ratio of operating profit to net sales was 6.7%, rising 3.9 percentage points from a year earlier.

Other Food Related Business

Delica Chef Corporation generated sales on a par with a year earlier but posted increased profit thanks to initiatives to improve productivity.

Vox Trading Co., Ltd. posted decreased sales, reflecting a reactionary drop after an increase in successful tenders for MA rice (minimum access rice) the previous fiscal year; however, its profit increased, due to progress in price pass on and a focus on the sale of highly profitable goods.

As a result of the above, sales in Other Food Related Business decreased 2.4% year on year, to 25,749 million yen, and operating profit increased 108.8% year on year, to 1,087 million yen. Consequently, the ratio of operating profit to net sales was 4.2%, rising 2.2 percentage points from a year earlier.

(2) Details of Financial Position

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

Total assets were 415,544 million yen, an increase of 18,634 million yen from the end of the previous consolidated fiscal year.

Current assets stood at 161,321 million yen, an increase of 6,397 million yen mainly due to increases in cash and deposits, and notes and accounts receivable - trade, despite a decrease in securities. Non-current assets rose 12,237 million yen, to 254,222 million yen, with increases in buildings and structures, retirement benefit asset, machinery, equipment and vehicles, and investment securities offsetting a decrease in construction in progress.

Liabilities stood at 100,153 million yen, an increase of 4,578 million yen from the end of the previous consolidated fiscal year.

Current liabilities were up 2,046 million yen, to 58,700 million yen, mainly due to increases in notes and accounts payable - trade and income taxes payable, while accounts payable - other decreased. Non-current liabilities increased 2,532 million yen, to 41,453 million yen, chiefly due to an increase in deferred tax liabilities.

Net assets stood at 315,390 million yen, climbing 14,055 million yen from the end of the previous consolidated fiscal year mainly because of an increase in retained earnings thanks to profit attributable to owners of parent, an increase in foreign currency translation adjustment, and an increase in valuation difference on available-for-sale securities due to a rise in the market value of investment securities owned, which offset a decrease in remeasurements of defined benefit plans.

As a result, the equity ratio stood at 68.9% (compared with 68.6% at the end of the previous fiscal year), and net assets per share amounted to 2,935.73 yen (2,791.56 yen at the end of the previous fiscal year) at the end of the first half of the fiscal year under review.

Figures for the previous fiscal year reflect a review of the initially allocated amounts of the purchase price as a result of finalization of provisional accounting treatment related to business combinations. Please refer to “2. Quarterly Consolidated Financial Statements and Key Notes (4) Notes to Quarterly Consolidated Financial Statements (Business Combination, etc.)” for details.

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

In view of progress made in business results for the six months ended September 30, 2023, recent operating conditions and other factors, the Company has revised its consolidated financial forecasts for the fiscal year ending March 31, 2024, which were announced on May 10, 2023, as shown below.

- Revision to consolidated financial forecast for fiscal year ending March 2024 (April 1, 2023 to March 31, 2024)

	Previous forecast	Revised forecast	Increase/ Decrease	Rate of change	Reference Results for the previous fiscal year
	Million yen	Million yen	Million yen	%	Million yen
Net sales	304,800	302,800	(2,000)	(0.7)	275,060
Operating profit	20,000	20,000	–	–	16,686
Ordinary profit	20,900	21,200	+300	+1.4	18,300
Profit attributable to owners of parent	17,500	18,000	+500	+2.9	13,672

- Segment net sales

	Previous forecast	Revised forecast	Increase/ Decrease	Rate of change	Reference Results for the previous fiscal year
	Million yen	Million yen	Million yen	%	Million yen
Spice / Seasoning / Processed Food Business	130,700	128,000	(2,700)	(2.1)	119,802
Health Food Business	17,700	17,200	(500)	(2.8)	16,520
International Food Business	61,400	57,300	(4,100)	(6.7)	48,875
Restaurant Business	53,000	55,100	+2,100	+4.0	48,371
Other Food Related Business	52,200	55,600	+3,400	+6.5	50,699
Adjustment (elimination)	(10,200)	(10,400)	(200)	–	(9,206)

- Segment operating profit

	Previous forecast	Revised forecast	Increase/ Decrease	Rate of change	Reference Results for the previous fiscal year
	Million yen	Million yen	Million yen	%	Million yen
Spice / Seasoning / Processed Food Business	10,700	10,700	–	–	7,915
Health Food Business	2,000	2,100	+100	+5.0	1,908
International Food Business	5,400	4,000	(1,400)	(25.9)	5,424
Restaurant Business	3,000	3,600	+600	+20.0	2,268
Other Food Related Business	1,500	1,900	+400	+26.7	1,234
Adjustment (elimination)	(2,600)	(2,300)	+300	–	(2,062)

(Note) Statements contained in this document, including the forecasts above, are based on information available on November 7, 2023, and actual results may differ from the forecasts. The Company shall make prompt disclosure if the need to revise the business results forecasts arises in the future.

2. Quarterly Consolidated Financial Statements and Key Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	End of previous fiscal year (As of March 31, 2023)	End of first half of the fiscal year under review (As of September 30, 2023)
Assets		
Current assets		
Cash and deposits	64,752	68,022
Notes and accounts receivable - trade	50,364	53,007
Securities	6,000	4,416
Merchandise and finished goods	17,006	18,446
Work in process	3,320	4,001
Raw materials and supplies	7,658	8,112
Other	5,908	5,396
Allowance for doubtful accounts	(83)	(79)
Total current assets	154,924	161,321
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	34,336	39,763
Machinery, equipment and vehicles, net	20,316	24,762
Land	30,334	30,595
Lease assets, net	1,222	996
Construction in progress	10,209	4,041
Other, net	5,951	6,064
Total property, plant and equipment	102,368	106,220
Intangible assets		
Goodwill	7,745	8,667
Trademark right	18,410	18,300
Software	3,935	3,949
Contract-related intangible assets	18,202	17,802
Customer-related intangible assets	4,609	4,908
Software in progress	502	443
Other	785	812
Total intangible assets	54,187	54,880
Investments and other assets		
Investment securities	59,108	62,181
Long-term loans receivable	8	13
Deferred tax assets	799	620
Long-term time deposits	1,000	1,000
Retirement benefit asset	18,200	22,784
Distressed receivables	214	174
Long-term deposits	1,065	1,062
Other	6,422	6,629
Allowance for doubtful accounts	(1,385)	(1,340)
Total investments and other assets	85,431	93,121
Total non-current assets	241,986	254,222
Total assets	396,910	415,544

(Million yen)

	End of previous fiscal year (As of March 31, 2023)	End of first half of the fiscal year under review (As of September 30, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,506	22,353
Electronically recorded obligations - operating	1,563	2,038
Short-term borrowings	5,452	4,982
Lease liabilities	959	901
Accounts payable - other	10,327	8,928
Income taxes payable	2,320	3,428
Provision for bonuses	490	534
Provision for bonuses for directors (and other officers)	61	32
Provision for shareholder benefit program	99	108
Asset retirement obligations	10	15
Other	14,867	15,381
Total current liabilities	56,654	58,700
Non-current liabilities		
Long-term borrowings	161	187
Lease liabilities	4,080	4,074
Long-term accounts payable - other	181	176
Deferred tax liabilities	22,539	24,668
Retirement benefit liability	6,074	5,785
Asset retirement obligations	1,128	1,153
Long-term guarantee deposits	3,771	3,723
Other	987	1,686
Total non-current liabilities	38,921	41,453
Total liabilities	95,575	100,153
Net assets		
Shareholders' equity		
Share capital	9,948	9,948
Capital surplus	22,829	22,850
Retained earnings	218,106	226,687
Treasury shares	(9,957)	(9,932)
Total shareholders' equity	240,925	249,554
Accumulated other comprehensive income		
Valuation difference on available-for- sale securities	20,907	23,744
Deferred gains or losses on hedges	(184)	226
Foreign currency translation adjustment	5,616	10,130
Remeasurements of defined benefit plans	5,021	2,717
Total accumulated other comprehensive income	31,359	36,817
Non-controlling interests	29,050	29,019
Total net assets	301,335	315,390
Total liabilities and net assets	396,910	415,544

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

(First six-month period)

(Million yen)

	First six-month period of previous fiscal year (April 1, 2022 - September 30, 2022)	First six-month period of the fiscal year under review (April 1, 2023 - September 30, 2023)
Net sales	133,831	142,824
Cost of sales	87,008	90,859
Gross profit	46,823	51,965
Selling, general and administrative expenses	39,191	43,898
Operating profit	7,632	8,067
Non-operating income		
Interest income	121	141
Dividend income	404	427
Share of profit of entities accounted for using equity method	15	–
Rental income from buildings	435	443
Foreign exchange gains	519	45
Subsidy income	219	–
Other	205	389
Total non-operating income	1,918	1,445
Non-operating expenses		
Interest expenses	111	191
Rental expenses	347	367
Share of loss of entities accounted for using equity method	–	72
Other	128	112
Total non-operating expenses	586	742
Ordinary profit	8,964	8,770
Extraordinary income		
Gain on sale of non-current assets	1	1
Gain on sale of investment securities	747	1,967
Gain on sale of restaurants	37	20
Gain on revision of retirement benefit plan	–	6,988
Other	3	4
Total extraordinary income	788	8,980
Extraordinary losses		
Loss on sale of non-current assets	50	0
Loss on retirement of non-current assets	70	117
Loss on sale of investment securities	1	–
Loss on valuation of investment securities	122	254
Loss on valuation of membership	1	–
Impairment losses	67	312
Other	0	–
Total extraordinary losses	311	684
Profit before income taxes	9,441	17,066
Income taxes	3,124	5,531
Profit	6,318	11,535
Profit attributable to		
Profit attributable to owners of parent	5,493	10,825
Profit attributable to non-controlling interests	825	710

(Million yen)

	First six-month period of previous fiscal year (April 1, 2022 - September 30, 2022)	First six-month period of the fiscal year under review (April 1, 2023 - September 30, 2023)
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,466)	2,853
Deferred gains or losses on hedges	101	475
Foreign currency translation adjustment	5,711	4,786
Remeasurements of defined benefit plans, net of tax	(575)	(2,309)
Share of other comprehensive income of entities accounted for using equity method	129	42
Total other comprehensive income	3,900	5,847
Comprehensive income	10,217	17,382
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,820	16,283
Comprehensive income attributable to non-controlling interests	1,397	1,099

(3) Quarterly Consolidated Statements of Cash Flows

(Million yen)

	First six-month period of previous fiscal year (April 1, 2022 - September 30, 2022)	First six-month period of the fiscal year under review (April 1, 2023 - September 30, 2023)
Cash flows from operating activities		
Profit before income taxes	9,441	17,066
Depreciation	5,533	6,033
Amortization of goodwill	22	441
Impairment losses	67	312
Share of (profit) loss of entities accounted for using equity method	(15)	72
Loss (gain) on valuation of investment securities	122	254
Loss on valuation of membership	1	-
Increase (decrease) in allowance for doubtful accounts	(43)	(50)
Increase (decrease) in provision for bonuses for directors (and other officers)	(22)	(29)
Increase (decrease) in provision for shareholder benefit program	3	9
Increase (decrease) in retirement benefit liability	2,486	(266)
Interest and dividend income	(525)	(568)
Interest expenses	111	191
Foreign exchange losses (gains)	(701)	87
Loss (gain) on sale of investment securities	(747)	(1,967)
Loss (gain) on sale of non-current assets	49	(1)
Loss on retirement of non-current assets	70	117
Loss (gain) on sale of restaurants	(37)	(20)
Gain on revision of retirement benefit plan	-	(6,988)
Decrease (increase) in trade receivables	(1,407)	(2,025)
Decrease (increase) in inventories	(2,621)	(2,195)
Increase (decrease) in trade payables	1,600	1,819
Increase (decrease) in accounts payable - bonuses	34	44
Increase (decrease) in long-term guarantee deposits	(75)	(48)
Decrease (increase) in other assets	(2,655)	(373)
Increase (decrease) in other liabilities	90	(1,105)
Subtotal	10,786	10,811
Interest and dividend income received	397	563
Interest paid	(28)	(7)
Income taxes paid	(2,736)	(2,258)
Net cash provided by (used in) operating activities	8,419	9,108

(Million yen)

	First six-month period of previous fiscal year (April 1, 2022 - September 30, 2022)	First six-month period of the fiscal year under review (April 1, 2023 - September 30, 2023)
Cash flows from investing activities		
Payments into time deposits	(78)	(1,778)
Proceeds from withdrawal of time deposits	78	753
Purchase of securities	(2,041)	(1,584)
Proceeds from sale of securities	2,765	3,196
Purchase of property, plant and equipment	(6,295)	(5,851)
Proceeds from sales of property, plant and equipment	179	60
Gain on sale of restaurants	60	28
Purchase of intangible assets	(427)	(934)
Proceeds from sale of intangible assets	–	0
Purchase of investment securities	(2,269)	(355)
Proceeds from sale of investment securities	2,210	3,025
Purchase of membership	–	(0)
Purchase of shares of subsidiaries and associates	–	(46)
Proceeds from divestments	2	1
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(817)
Net cash provided by (used in) investing activities	(5,816)	(4,303)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	712	(551)
Proceeds from share issuance to non-controlling shareholders	–	69
Repayments of lease liabilities	(327)	(572)
Repayments of long-term borrowings	–	(34)
Purchase of treasury shares	(6,002)	(1)
Purchase of treasury shares of subsidiaries	(0)	(106)
Dividends paid	(2,290)	(2,244)
Dividends paid to non-controlling interests	(626)	(1,104)
Net cash provided by (used in) financing activities	(8,533)	(4,544)
Effect of exchange rate change on cash and cash equivalents	3,079	1,808
Net increase (decrease) in cash and cash equivalents	(2,850)	2,068
Cash and cash equivalents at beginning of period	75,705	62,682
Cash and cash equivalents at end of period	72,854	64,750

(4) Notes to Quarterly Consolidated Financial Statements

Notes Relating to Assumptions for the Going Concern

Not applicable.

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

Not applicable.

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

(Calculation of tax expenses)

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

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

Additional Information

Changes in Presentation Methods

(Quarterly consolidated Statements of Cash Flows)

“Repayments of short-term borrowings” and “Proceeds from short-term borrowings” under “Cash flows from financing activities,” which were presented on a gross basis in the first half of the previous fiscal year, are presented on a net basis as “Net increase (decrease) in short-term borrowings” from the first half of the consolidated fiscal year under review because the term of borrowing is short and turnover is quick. To reflect this change in presentation, the quarterly consolidated financial statements for the first six-month period of the previous fiscal year (April 1, 2022 - September 30, 2022) have been amended.

As a result, in the Quarterly Consolidated Statements of Cash Flows for the first six-month period of previous fiscal year (April 1, 2022 - September 30, 2022), “Repayments of short-term borrowings” of (34,168) million yen and “Proceeds from short-term borrowings” of 34,880 million yen under “Cash flows from financing activities” have been restated as “Net increase (decrease) in short-term borrowings” of 712 million yen.

Segment Information

I. First six-month period of previous fiscal year (April 1, 2022 - September 30, 2022)

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

(Million yen)

	Reported segments						Other	Total	Adjustment (Note 1)	Amount on consolidated financial statements (Note 2)
	Spice / Seasoning / Processed Food Business	Health Food Business	International Food Business	Restaurant Business	Other Food Related Business	Total				
Net sales										
Sales – outside customers	55,449	8,314	22,534	22,898	24,588	133,782	–	133,782	49	133,831
Sales and transfer – inter-segment	2,565	208	86	49	1,799	4,706	–	4,706	(4,706)	–
Total	58,013	8,521	22,620	22,947	26,387	138,489	–	138,489	(4,658)	133,831
Segment profit (loss)	3,205	1,076	3,106	647	521	8,555	–	8,555	(923)	7,632

(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 923 million yen of the Company and House Business Partners Corporation, 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 half of the consolidated fiscal year under review, the Company recorded an impairment losses of 67 million yen associated with a fall in profitability of store assets, etc. in the Restaurant Business segment.

II. First six-month period of the fiscal year under review (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 consolidated financial statements.

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

(Important impairment losses on non-current assets)

In the first half of the consolidated fiscal year under review, the Company recorded an impairment 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 quarter of the fiscal year under review. As a result, the amount of goodwill in the International Food Business segment decreased. The details are described in (4) Notes to Quarterly Consolidated Financial Statements (Business Combination, etc.).

Business Combination, etc.

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

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

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

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

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

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

3. Supplementary Information

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

(1) Business Results

Consolidated

(Million yen)

	First half of FY2022		First half of FY2023		FY2022		FY2023 Revised Forecast	
	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Net sales	133,831	107.8%	142,824	106.7%	275,060	108.6%	302,800	110.1%
Operating profit	7,632	84.5%	8,067	105.7%	16,686	86.8%	20,000	119.9%
Ordinary profit	8,964	86.7%	8,770	97.8%	18,300	86.6%	21,200	115.8%
Profit attributable to owners of parent	5,493	76.2%	10,825	197.1%	13,672	98.0%	18,000	131.7%
Comprehensive income	10,217	104.6%	17,382	170.1%	15,965	74.0%	–	–

Net sales by business segment

Net sales	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Spice / Seasoning / Processed Food Business	58,013	101.8%	60,424	104.2%	119,802	102.0%	128,000	106.8%
Health Food Business	8,521	121.1%	8,604	101.0%	16,520	114.5%	17,200	104.1%
International Food Business	22,620	116.4%	26,457	117.0%	48,875	125.0%	57,300	117.2%
Restaurant Business	22,947	103.8%	26,813	116.8%	48,371	106.5%	55,100	113.9%
Other Food Related Business	26,387	115.4%	25,749	97.6%	50,699	111.3%	55,600	109.7%
Adjustment	(4,658)	–	(5,221)	–	(9,206)	–	(10,400)	–

Operating profit by business segment

Operating profit	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change	Amount	Year-on-year change
Spice / Seasoning / Processed Food Business	3,205	59.3%	3,666	114.4%	7,915	62.7%	10,700	135.2%
Health Food Business	1,076	–	1,230	114.3%	1,908	–	2,100	110.1%
International Food Business	3,106	96.2%	1,096	35.3%	5,424	103.3%	4,000	73.8%
Restaurant Business	647	123.0%	1,806	279.4%	2,268	151.0%	3,600	158.7%
Other Food Related Business	521	65.1%	1,087	208.8%	1,234	83.4%	1,900	153.9%
Adjustment	(923)	–	(818)	–	(2,062)	–	(2,300)	–

(2) Number of Group Companies

	First half of FY2022	First half of FY2023	FY2022
Consolidated subsidiaries	38	43	42
Japan	15	17	16
Overseas	23	26	26
Equity-method affiliate	5	5	5
Japan	2	2	2
Overseas	3	3	3

(3) Consolidated Statements of Income

1. Consolidated Statements of Income

(Million yen)

	First half of FY2022		First half of FY2023		Year-on-year change	
	Amount	Percentage	Amount	Percentage	Amount	Rate of change
Net sales	133,831	100.0%	142,824	100.0%	8,993	6.7%
<By business segment>						
Spice / Seasoning / Processed Food Business	58,013	43.3%	60,424	42.3%	2,410	4.2%
Health Food Business	8,521	6.4%	8,604	6.0%	82	1.0%
International Food Business	22,620	16.9%	26,457	18.5%	3,836	17.0%
Restaurant Business	22,947	17.1%	26,813	18.8%	3,866	16.8%
Other Food Related Business	26,387	19.7%	25,749	18.0%	(638)	(2.4%)
Adjustment	(4,658)	(3.5%)	(5,221)	(3.7%)	(563)	-
Cost of sales	87,008	65.0%	90,859	63.6%	3,851	4.4%
Selling, general and administrative expenses	39,191	29.3%	43,898	30.7%	4,707	12.0%
Operating profit	7,632	5.7%	8,067	5.6%	435	5.7%
<By business segment>						
Spice / Seasoning / Processed Food Business	3,205	2.4%	3,666	2.6%	460	14.4%
Health Food Business	1,076	0.8%	1,230	0.9%	154	14.3%
International Food Business	3,106	2.3%	1,096	0.8%	(2,010)	(64.7%)
Restaurant Business	647	0.5%	1,806	1.3%	1,160	179.4%
Other Food Related Business	521	0.4%	1,087	0.8%	566	108.8%
Adjustment	(923)	(0.7%)	(818)	(0.6%)	105	-
Non-operating income	1,918	1.4%	1,445	1.0%	(473)	(24.7%)
Non-operating expenses	586	0.4%	742	0.5%	156	26.6%
Ordinary profit	8,964	6.7%	8,770	6.1%	(195)	(2.2%)
Extraordinary income	788	0.6%	8,980	6.3%	8,192	1,038.9%
Extraordinary losses	311	0.2%	684	0.5%	372	119.6%
Profit before income taxes	9,441	7.1%	17,066	11.9%	7,625	80.8%
Income taxes	3,124	2.3%	5,531	3.9%	2,408	77.1%
Profit	6,318	4.7%	11,535	8.1%	5,217	82.6%
Profit attributable to						
Profit attributable to owners of parent	5,493	4.1%	10,825	7.6%	5,332	97.1%
Profit attributable to non-controlling interests	825	0.6%	710	0.5%	(115)	(13.9%)
Comprehensive income	10,217	7.6%	17,382	12.2%	7,165	70.1%

2. Major Changes in Selling, General and Administrative Expenses

(Million yen)

	First half of FY2022	First half of FY2023	Year-on-year change
Advertising expenses	3,971	3,996	26
Transportation and storage costs	5,914	6,404	489
Sales commission	76	70	(6)
Promotion expenses	1,454	1,818	363
Personnel expenses	14,091	15,837	1,745
Research and development expenses	2,153	2,258	105
Amortization of goodwill	22	441	419
Other	11,508	13,074	1,566
Total selling, general and administrative expenses	39,191	43,898	4,707

3. Non-Operating Income (Expenses)

(Million yen)

	First half of FY2022	First half of FY2023	Year-on-year change
Interest income	121	141	20
Dividend income	404	427	23
Share of profit of entities accounted for using equity method	15	–	(15)
Rental income from buildings	435	443	8
Foreign exchange gains	519	45	(475)
Subsidy income	219	–	(219)
Other	205	389	183
Total non-operating income	1,918	1,445	(473)
Interest expenses	111	191	79
Rental expenses	347	367	20
Share of loss of entities accounted for using equity method	–	72	72
Other	128	112	(16)
Total non-operating expenses	586	742	156

4. Extraordinary Income (Losses)

(Million yen)

	First half of FY2022	First half of FY2023	Year-on-year change
Gain on sale of non-current assets	1	1	(0)
Gain on sale of investment securities	747	1,967	1,220
Gain on sale of restaurants	37	20	(17)
Gain on revision of retirement benefit plan	–	6,988	6,988
Other	3	4	1
Total extraordinary income	788	8,980	8,192
Loss on sale of non-current assets	50	0	(50)
Loss on retirement of non-current assets	70	117	47
Loss on sale of investment securities	1	–	(1)
Loss on valuation of investment securities	122	254	132
Loss on valuation of membership	1	–	(1)
Impairment losses	67	312	245
Other	0	–	(0)
Total extraordinary losses	311	684	372

5. Quarterly Statements

Consolidated

(Million yen)

	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Net sales	66,324	67,507	71,988	69,242	275,060	70,453	72,371			142,824
Year-on-year change	4,688	5,016	4,194	7,777	21,675	4,130	4,863			8,993
Operating profit	4,970	2,662	6,692	2,363	16,686	4,914	3,153			8,067
Year-on-year change	(720)	(680)	(1,163)	22	(2,541)	(56)	491			435
Ordinary profit	5,591	3,373	6,578	2,758	18,300	5,252	3,517			8,770
Year-on-year change	(754)	(618)	(1,604)	151	(2,825)	(339)	144			(195)
Profit attributable to owners of parent	3,597	1,896	6,114	2,066	13,672	7,978	2,847			10,825
Year-on-year change	(476)	(1,241)	(36)	1,470	(284)	4,381	951			5,332
Comprehensive income	3,999	6,218	7,149	(1,401)	15,965	10,678	6,705			17,382
Year-on-year change	(1,032)	1,484	1,861	(7,929)	(5,616)	6,678	487			7,165

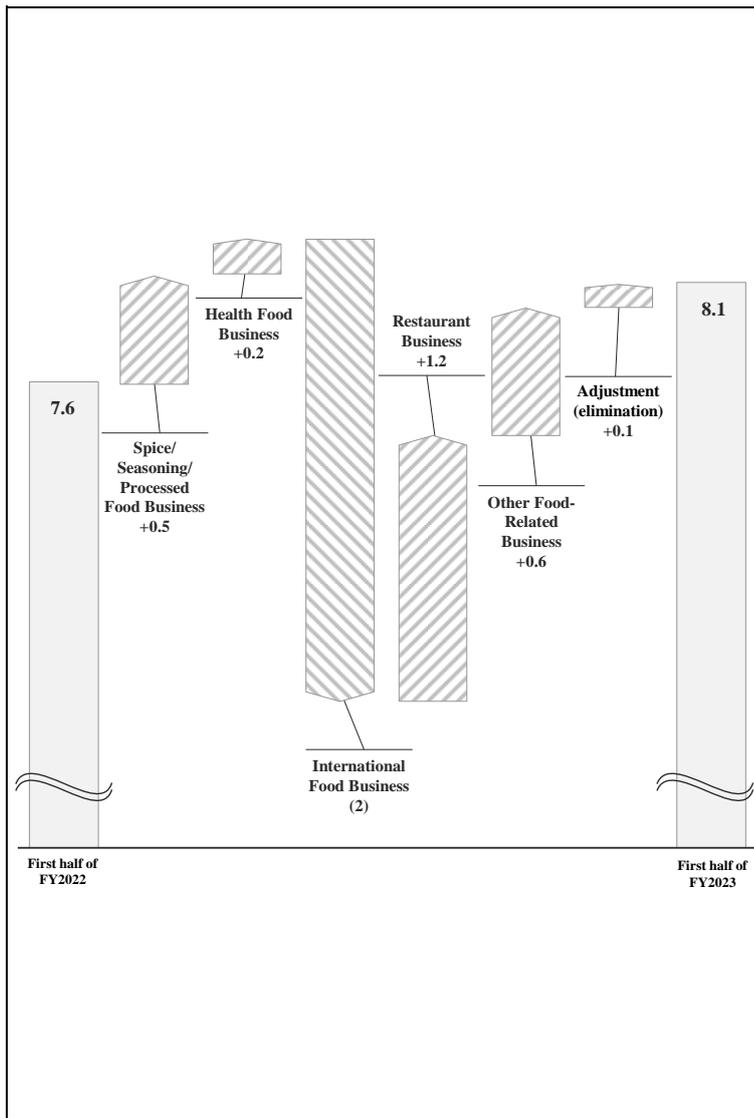
Net sales by business segment

Net sales	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Spice / Seasoning / Processed Food Business	28,326	29,688	33,027	28,762	119,802	29,594	30,829			60,424
Year-on-year change	694	354	387	945	2,380	1,269	1,142			2,410
Health Food Business	4,110	4,412	4,575	3,423	16,520	4,136	4,468			8,604
Year-on-year change	759	723	270	335	2,087	26	56			82
International Food Business	10,796	11,824	12,346	13,908	48,875	13,441	13,015			26,457
Year-on-year change	984	2,197	2,105	4,479	9,764	2,645	1,191			3,836
Restaurant Business	11,334	11,612	12,436	12,989	48,371	12,897	13,915			26,813
Year-on-year change	208	633	1,194	915	2,950	1,563	2,303			3,866
Other Food Related Business	13,921	12,466	11,983	12,329	50,699	12,858	12,891			25,749
Year-on-year change	2,246	1,274	506	1,102	5,128	(1,062)	424			(638)
Adjustment	(2,163)	(2,495)	(2,379)	(2,170)	(9,206)	(2,474)	(2,747)			(5,221)
Year-on-year change	(204)	(165)	(268)	1	(635)	(311)	(252)			(563)

Operating profit by business segment

Operating profit	FY2022					FY2023				
	1Q	2Q	3Q	4Q	Cumulative total	1Q	2Q	3Q	4Q	Cumulative total
Spice / Seasoning / Processed Food Business	2,251	955	3,564	1,145	7,915	1,794	1,871			3,666
Year-on-year change	(824)	(1,372)	(1,253)	(1,264)	(4,713)	(457)	917			460
ROS	7.9%	3.2%	10.8%	4.0%	6.6%	6.1%	6.1%			6.1%
Health Food Business	465	611	824	8	1,908	589	641			1,230
Year-on-year change	627	781	220	417	2,046	124	30			154
ROS	11.3%	13.9%	18.0%	0.2%	11.5%	14.2%	14.4%			14.3%
International Food Business	1,747	1,359	1,361	957	5,424	1,175	(79)			1,096
Year-on-year change	(236)	115	(146)	441	174	(572)	(1,438)			(2,010)
ROS	16.2%	11.5%	11.0%	6.9%	11.1%	8.7%	(0.6%)			4.1%
Restaurant Business	193	454	673	948	2,268	930	877			1,806
Year-on-year change	(158)	278	253	392	766	737	423			1,160
ROS	1.7%	3.9%	5.4%	7.3%	4.7%	7.2%	6.3%			6.7%
Other Food Related Business	362	158	297	416	1,234	532	555			1,087
Year-on-year change	(109)	(170)	(182)	215	(245)	170	397			566
ROS	2.6%	1.3%	2.5%	3.4%	2.4%	4.1%	4.3%			4.2%
Adjustment	(47)	(876)	(27)	(1,112)	(2,062)	(106)	(712)			(818)
Year-on-year change	(21)	(313)	(55)	(179)	(568)	(59)	164			105

6. Factors of changes in operating profit by business segment (Billion yen)



Billion yen	Year-on-year change
Spice / Seasoning / Processed Food Business	+0.5
Change in sales*	+1.0
Change in cost of sales ratio*	(0.6)
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	+0.0
Other expenses	+0.1
International Food Business	(2.0)
Business in the United States	(0.5)
Business in China	(0.2)
Businesses in Southeast Asia	(1.2)
Exports and others	(0.1)
Restaurant Business	+1.2
Ichibanya Co., Ltd. (consolidated)	+1.1
Other Food Related Business	+0.6
Delica Chef Corporation	+0.3
Vox Trading Co., Ltd. (Consolidated)	+0.3
Adjustment (elimination)	+0.1
Changes in operating profit	+0.4

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

(4) Consolidated Balance Sheets

Consolidated Balance Sheets

(Million yen)

	FY2022		First half of FY2023		Increase/decrease from end of FY2022	Major factors for increase/decrease
	Amount	Percentage	Amount	Percentage		
Current assets	154,924	39.0%	161,321	38.8%	6,397	Increase in cash and deposits 3,270 Increase in notes and accounts receivable - trade 2,642 Increase in merchandise and finished goods 1,441 Increase in work in process 682 Decrease in securities (1,584)
Non-current assets	241,986	61.0%	254,222	61.2%	12,237	Increase in buildings and structures 5,427 Increase in retirement benefit asset 4,583 Increase in machinery, equipment and vehicles 4,446 Increase in investment securities 3,073 Decrease in construction in progress (6,168)
Total assets	396,910	100.0%	415,544	100.0%	18,634	
Current liabilities	56,654	14.3%	58,700	14.1%	2,046	Increase in notes and accounts payable - trade 1,847 Increase in income taxes payable 1,107 Increase in other current liabilities 514 Decrease in accounts payable - other (1,399)
Non-current liabilities	38,921	9.8%	41,453	10.0%	2,532	Increase in deferred tax liabilities 2,130 Increase in other non-current liabilities 699 Decrease in retirement benefit liability (289)
Total liabilities	95,575	24.1%	100,153	24.1%	4,578	
Total shareholders' equity	240,925	60.7%	249,554	60.1%	8,628	Increase in retained earnings 8,582 Decrease in treasury shares 25
Total accumulated other comprehensive income	31,359	7.9%	36,817	8.9%	5,458	Increase in foreign currency translation adjustment 4,515 Increase in valuation difference on available-for-sale securities 2,837 Decrease in remeasurements of defined benefit plans (2,304)
Non-controlling interests	29,050	7.3%	29,019	7.0%	(31)	
Total net assets	301,335	75.9%	315,390	75.9%	14,055	
Total liabilities and net assets	396,910	100.0%	415,544	100.0%	18,634	

(5) Consolidated Statements of Cash Flows

Consolidated Statements of Cash Flows

(Million yen)

	First half of FY2022	First half of FY2023	Year-on-year change	Major factors for increase/decrease
Cash flows from operating activities	8,419	9,108	689	Profit before income taxes 7,625 Decrease (increase) in other assets 2,282 Foreign exchange losses (gains) 788 Gain on revision of retirement benefit plan (6,988) Increase (decrease) in retirement benefit liability (2,752)
Cash flows from investing activities	(5,816)	(4,303)	1,512	Purchase of investment securities 1,913 Proceeds from sale of investment securities 816 Proceeds from withdrawal of time deposits 675 Payments into time deposits (1,700)
Cash flows from financing activities	(8,533)	(4,544)	3,989	Purchase of treasury shares 6,000 Net increase (decrease) in short-term borrowings (1,263) Dividends paid to non-controlling interests (478) Repayments of lease liabilities (246)
Cash and cash equivalents at end of period	72,854	64,750	(8,104)	

(6) Capital Investment

Consolidated

(Million yen)

	First half of FY2022	First half of FY2023	FY2023 Forecast
Capital investment	5,858	7,170	19,200
Leases	304	191	400
Total	6,162	7,361	19,600

(7) Depreciation

Consolidated

(Million yen)

	First half of FY2022	First half of FY2023	FY2023 Forecast
Depreciation	5,533	6,033	12,900
Lease payments	150	281	500
Total	5,683	6,314	13,400

* 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

	FY2022	First half of FY2023	FY2023 Revised Forecast
Profit per share	139.63 yen	110.98 yen	185.04 yen
Net assets per share	2,791.56 yen	2,935.73 yen	2,899.62 yen
ATO	0.71 times	–	0.76 times
Ratio of operating profit to net sales	6.1%	5.6%	6.6%
EBITDA margin	10.4%	10.2%	11.1%
Ratio of ordinary profit to net sales	6.7%	6.1%	7.0%
Ratio of operating profit to total assets	4.3%	–	5.0%
ROE (Return on equity)	5.1%	–	6.5%
Equity ratio	68.6%	68.9%	69.4%
Dividend per share	46.00 yen	23.00 yen	46.00 yen
Dividend payout ratio	32.9%	20.7%	24.9%
Dividend payout ratio according to the basic policy on the return of earnings to shareholders	32.4%	19.9%	23.7%

* Basic policy on the payment of dividends:

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

Number of employees	6,502 people	6,679 people	–
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* Excluding those on leave of absence and part-time workers

(9) Reference Information

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

(Billion yen)

	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022
Curry roux	55.3	52.9	51.3	50.5	46.9	47.2
Stew roux	21.0	19.6	18.9	18.9	18.0	18.5
Hashed beef sauce roux	7.1	7.1	7.1	7.3	6.6	6.4
Retort pouched curry	67.1	70.7	75.3	78.9	78.7	81.9
Spice in total	82.3	85.9	88.4	100.6	97.0	93.4

2. Curry roux market trends (SRI+)

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

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

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

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

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