

Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (Japanese Accounting Standards)

Company name:	ITOHAM YONEKYU HOLDINGS INC.
Stock exchange listing:	Tokyo Stock Exchange
Stock code:	2296
URL:	https://www.itoham-yonekyu-holdings.com
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Scheduled date for general shareholders' meeting:	June 26, 2024
Scheduled date for filing of securities report:	June 26, 2024
Scheduled date of commencement of dividend payment:	June 10, 2024
Supplementary documents for financial results:	Yes
Quarterly results briefing:	Yes (For institutional investors, analysts)

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023–March 31, 2024)

(1) Consolidated Results of Operations

(% figures show year-on-year change)

Fiscal year ended	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
March 31, 2024	955,580	3.6	22,336	(2.9)	26,036	(0.0)	15,553	(8.4)
March 31, 2023	922,682	8.0	22,994	(6.6)	26,044	(8.9)	16,975	(11.2)

(Note) Comprehensive income: Fiscal Year ended March 31, 2024 23,882 million Yen 30.8 %
Fiscal Year ended March 31, 2023 18,262 million Yen (16.9) %

Fiscal year ended	Profit per share	Diluted profit per share	Return on Equity	Ordinary profit to total assets	Operating profit to net sales
	Yen	Yen	%	%	%
March 31, 2024	273.24	273.14	5.6	5.8	2.3
March 31, 2023	294.07	293.96	6.4	6.1	2.5

(Reference) Equity in income or losses of affiliates: Fiscal Year ended March 31, 2024 522 million Yen
Fiscal Year ended March 31, 2023 439 million Yen

(Note) As the effective date on October 1 2023, we have completed a share consolidation (combining 5 shares of common stock into 1 share).

In regard to above Profit per share and Diluted profit per share, it shows on the assumption of the share consolidation be carried out at the beginning of previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
As of March 31, 2024	462,570	285,326	61.5	5,018.37
As of March 31, 2023	436,763	269,261	61.5	4,717.02

(Reference) Shareholders' equity: As of March 31, 2024 284,616 million Yen
As of March 31, 2023 268,608 million Yen

(Note) As the effective date on October 1 2023, we have completed a share consolidation (combining 5 shares of common stock into 1 share).

In regard to Net assets per share, it shows on the assumption of the share consolidation be carried out at the beginning of previous fiscal year.

(3) Consolidated cash flows

Fiscal year ended	From operating activities	From investing activities	From financing activities	Cash and cash equivalents at the end of fiscal year
	Million Yen	Million Yen	Million Yen	Million Yen
March 31, 2024	29,392	(16,014)	(13,278)	22,917
March 31, 2023	3,947	(22,926)	(6,844)	22,359

2. Dividends

Fiscal year ended	Dividend per share					Total amount of cash dividends	Payout ratio (consolidated)	Dividends to Net assets ratio (consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
March 31, 2023	—	0.00	—	24.00	24.00	6,833	40.8	2.6
March 31, 2024	—	0.00	—	125.00	—	7,089	45.7	2.6
Fiscal year ending March 31, 2025 (Forecast)	—	70.00	—	75.00	145.00		51.4	

(Note) As the effective date on October 1 2023, we have completed a share consolidation (combining 5 shares of common stock into 1 share).

The forecast for the Total annual dividend is shown as "— en dash" because simple sum is not appropriate.

(Translated)

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025
(April 1, 2024 to March 31, 2025)

(% figures show year-on-year change)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
First Half	477,000	1.5	10,500	(0.8)	11,000	(10.6)	7,000	(7.8)	123.42
Full year	970,000	1.5	25,000	11.9	26,500	1.8	16,000	2.9	282.11

* Notes

(1) Changes in significant subsidiaries during the term (changes in specific subsidiaries accompanied by a change in the scope of consolidation): None

(2) Changes in accounting policies, changes of accounting estimates and restatement

- (i) Changes in accounting policies due to amendments to accounting standards: None
- (ii) Other Changes in accounting policies: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Numbers of shares outstanding (common stock)

- (i) Numbers of issued shares at end of period:
 - As of March 31, 2024 : 57,471,011 shares
 - As of March 31, 2023 : 57,471,011 shares
- (ii) Numbers of treasury shares at end of period:
 - As of March 31, 2024 : 756,164 shares
 - As of March 31, 2023 : 526,552 shares
- (iii) Average number of shares outstanding during period:
 - As of March 31, 2024 : 56,922,455 shares
 - As of March 31, 2023 : 57,723,764 shares

(Note) As the effective date on October 1 2023, we have completed a share consolidation (combining 5 shares of common stock into 1 share).

In regard to above (i) to (iii), it shows on the assumption of the share consolidation be carried out at the beginning of the previous fiscal year.

(Reference) Non-Consolidated Financial Results

Non-Consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023–March 31, 2024)

(1) Non-Consolidated Results of Operations

(% figures show year-on-year change)

	Operating revenue		Operating profit		Ordinary profit		Profit	
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
Fiscal year ended								
March 31, 2024	529,579	1,768.3	1,967	(88.7)	14,508	(16.8)	40,539	144.8
March 31, 2023	28,345	33.1	17,383	10.1	17,433	10.0	16,588	15.3

	Profit per share	Diluted profit per share
	Yen	Yen
Fiscal year ended		
March 31, 2024	712.18	711.93
March 31, 2023	286.86	286.74

(Note) As the effective date on October 1 2023, we have completed a share consolidation (combining 5 shares of common stock into 1 share).

In regard to above Profit per share and Diluted profit per share, it shows on the assumption of the share consolidation be carried out at the beginning of previous fiscal year.

(2) Individual financial position

(% figures show year-on-year change)

	Total assets	Net assets	Equity ratio	Net assets per share
	Million Yen	Million Yen	%	Yen
As of March 31, 2024	329,802	238,497	72.3	4,203.85
As of March 31, 2023	242,708	205,609	84.7	3,609.34

(Reference) Shareholders' equity: As of March 31, 2024 238,420 million Yen

As of March 31, 2023 205,531 million Yen

(Note) As the effective date on October 1 2023, we have completed a share consolidation (combining 5 shares of common stock into 1 share).

In regard to Net assets per share, it shows on the assumption of the share consolidation be carried out at the beginning of previous fiscal year.

* This Consolidated Financial Results is outside the scope of the external audit.

* Explanation for using the forecasted information and the other special notes

(Notes concerning forward-looking statements, etc.)

This summary financial report contains forward-looking statements and forecasts are made based on information available to the company at the time of preparation and certain assumption deemed to reasonable and actual result may significantly due to various factors. For assumptions used for earnings forecasts and notes on the use of earnings forecasts, please refer to "(4) Outlook" under "1. Overview of Operating Results and Financial Position" on page "3".

(Access to Supplementary Explanations)

We will disclose the materials on TD-net and our website on the same days as this financial results, and hold each conference on the following dates.

Financial results briefing conference via WEB : Thursday May 2, 2024

Lon-Term Management Strategy 2035 and Medium-Term Management Plan 2026 briefing conference via WEB : Thursday May 9, 2024

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1. Overview of Operating Results and Financial Position

(1) Overview of operating results

○Domestic economic situation

The Japanese economic activities show slow recovery trend due to improvements of employment income environment and recovery of personal consumption.

On the other hand, changing in resource prices and trends of financials/ foreign exchange markets affect domestic economy and prices as a background of global uncertainties.

○Our industry situation (Meat Processing industry)

The business environment remained difficult condition due to rising raw material prices and logistics costs on top of persistently high utility and packaging along with weakening yen. In addition, although consumer purchasing intentions temporarily improved due to the normalization of economic activities. However, consumer confidence has begun to stagnate and save the cost, because increasing the overall living cost gradually. In these circumstances, the Group should respond to consumer needs and values that are rapidly changing and diversifying, such as shift in consumer behavior, accelerated digitalization, and growing interest in sustainability.

○Our operating results and overview

◇Consolidated operating results (% figures show year-on-year change)

Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%
955,580	3.6	22,336	(2.9)	26,036	(0.0)	15,553	(8.4)

Measures of the Medium-Term Management Plan 2023

- Strengthen management base : Strategic-based reorganization , Promotion of digital strategy
- Strengthen earnings base : Reorganization of production and logistics bases, Enhancement of WAGYU exports
- Initiatives for new businesses and markets : Strengthen Frozen foods, Expanding range of Plant-based food products, Strengthening Healthcare business
- Initiatives for sustainability : Reducing greenhouse gas emissions, Conducting human rights due diligence, Considering Animal welfare

◇Operating results by reportable segment (% figures show year-on-year change)

	Net Sales		Ordinary profit	
	Million Yen	%	Million Yen	%
Processed Food Division	391,336	4.0	9,051	76.7
Meat Division	564,227	3.2	18,131	(17.7)

<Processed Food Division>

- Regarding Hams and Sausages, net sales increased driven by TV commercials and consumer campaigns to expand sales of the main products for consumer products such as “The Grand Alt Bayern”, “Asano Fresh Series”, and “Gotenba Kogen Arabiki Pork”. on top of increased sales of business-use products for food service.
- Regarding Cooked foods, net sales increased driven by expanded product range to accommodate more diversified consumer needs such as pizza products of “La Pizza” and “Pizza Garden”, “Salad Chicken”, and soy-meat products of “Marude Oniku! Series”, on top of increased sales of business-use products for food service.
- Net sales and ordinary profit of the Processed food division increased due to the price revisions and cost reduction efforts in a difficult condition where raw material prices and logistics costs continue to rise.

<Meat Division>

- In domestic business, net sales amount increased driven by increasing sales volume due to strengthening domestic meat production equipment and recovering foodservice demand. The profits increased as a result of value chain management connected with imported beef and imported chicken mainly, despite the impact of remaining high compound feed prices and rising logistics costs including storage fees.
- In overseas business, net sales and ordinary profit decreased due to a decline in the sales prices of beef products at ANZCO Foods, under the situation of the global beef demand dropped comparison with previous year.
- Net sales of Meat Division increased, but ordinary profit declined due to the impact of the decrease in overseas business profit.

(2) Overview of financial positions

(Assets, liabilities and net assets)

- Total assets was 462,570 million yen, an increase of 25,807 million yen from the end of the previous consolidated fiscal year.
Increase factors: Increase in Accounts receivable-trade
- Liabilities was 177,244 million yen, an increase of 9,743 million yen from the end of the previous consolidated fiscal year.
Increase factors: Increase in Short-term borrowings and Accounts payable - trade
Decrease factors: Repayment of Long-term borrowings
- Net assets was 285,326 million yen, an increase of 16,064 million yen from the end of the previous consolidated fiscal year.
Increase factors: Increase in Retained earnings and Foreign currency translation adjustment

(3) Overview of cash flows

- The balance of cash and cash equivalents at end of period was 22,917 million yen, an increase of 558 million yen from the end of the previous consolidated fiscal year (A decrease of 25,330 million yen in the previous year).
- Cash flows from operating activities increased by 29,392 million yen (A increase of 3,947 million yen in the previous year).
Increase factors: Result of Profit before income taxes and increase in Trade payables
Decrease factors: Increase in Trade receivables
- Cash flows from investing activities decreased by 16,014 million yen (A decrease of 22,926 million yen in the previous year).
Decrease factors: Acquisition of tangible assets
- Cash flows from financing activities decreased by 13,278 million yen (An decrease of 6,844 million yen in the previous year).
Decrease factors: Repayments of long-term borrowings and Dividends paid
Increase factors: Increase in Short-term borrowings

(4) Outlook

	Net sales (Million Yen)	Operating profit (Million Yen)	Ordinary profit (Million Yen)	Profit attributable to owners of parent (Million Yen)	Profit per share (Yen)
Fiscal year ending March 31,2025	970,000	25,000	26,500	16,000	282.11
Fiscal year ended March 31,2024	955,580	22,336	26,036	15,553	273.24
Change (%)	1.5	11.9	1.8	2.9	

- Although the domestic economy is currently performing well as it has made progress in emerging from the COVID-15 pandemic, the future remains uncertain due to rising costs due to high crude oil prices, exchange rate fluctuations based on interest rates and geopolitical risks.
- The business environment in this industry is expected to continue to be difficult, with raw material prices and utility costs expected to remain high.
- The company determined our 2035 Approach toward our group philosophy and vision. At the same time, we backcasted from our 2035 Approach to formulate Long-Term Management Strategy 2035, and reflected in the Medium-Term Management Plan 2026 based on the Long-Term strategy, which is the higher-level policy.. For details, please refer to the explanatory materials released on the same day as this Consolidated Financial Results.
- As mentioned above, Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 is expected to be 970 billion yen in net sales, 25 billion yen in operating profit, 26.5 billion yen in ordinary profit, and 16 billion yen in profit attributable to owners of the parent.
- The dividend policy is a progressive dividend with a DOE (Dividend On Equity ratio) of 3% or more, and the annual dividend per share for the fiscal year ending March 2025 is scheduled to be 145 yen including the interim dividend 70 yen.

2. Basic Concept for the Selection of Accounting Standards

For the time being, the Group prepares its consolidated financial statements in accordance with Japanese GAAP, considering the comparability of the consolidated financial statements between periods and the comparability among companies. The Group will respond appropriately to the application of International Financial Reporting Standards (IFRS), considering various conditions in Japan and overseas.

Consolidated Financial Statements and Key Notes

(1) Consolidated balance sheets

(Million Yen)

	As of March 31, 2023	As of March 31, 2024
ASSETS		
Current assets		
Cash and deposits	22,736	23,225
Notes receivable-trade	81	85
Accounts receivable-trade	95,241	110,900
Merchandise and finished goods	97,801	100,198
Work in process	2,020	1,981
Raw materials and supplies	22,920	23,292
Other	15,681	12,381
Allowance for doubtful accounts	(20)	(28)
Total current assets	256,463	272,036
Non-current assets		
Property, plant and equipment		
Buildings and structures	108,063	111,768
Accumulated depreciation	(71,127)	(72,822)
Buildings and structures, net	36,935	38,945
Machinery, equipment and vehicles	135,652	142,475
Accumulated depreciation	(106,560)	(110,131)
Machinery, equipment and vehicles, net	29,091	32,344
Tools, furniture & fixtures	7,546	7,930
Accumulated depreciation	(6,092)	(6,179)
Tools, furniture & fixtures, net	1,454	1,751
Land	26,368	26,720
Leased assets	6,873	7,179
Accumulated depreciation	(4,075)	(4,317)
Leased assets, net	2,797	2,862
Construction in progress	4,640	2,433
Others	245	284
Accumulated depreciation	(59)	(76)
Others, net	185	208
Total property, plant and equipment	101,472	105,265
Intangible assets		
Goodwill	18,286	16,798
Other	8,555	8,412
Total intangible assets	26,842	25,210
Investments and other assets		
Investment securities	30,302	34,699
Long-term loans receivable	1,202	1,238
Deferred tax assets	706	1,039
Retirement benefit asset	15,307	18,625
Other	4,552	5,232
Allowance for doubtful accounts	(88)	(777)
Investments and other assets	51,984	60,058
Total non-current assets	180,299	190,534
Total Assets	436,763	462,570

(Million Yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	66,978	73,830
Electronically recorded obligations - operating	1,991	1,347
Short-term borrowings	32,062	39,815
Current portion of Long-term borrowings	10,126	106
Lease liabilities	871	913
Accounts payable - other	23,461	28,520
Income taxes payable	5,024	3,892
Accrued consumption taxes	1,059	1,639
Provision for bonuses	6,163	6,365
Provision for bonuses for directors (and other officers)	161	169
Provision for loss on disaster	329	—
Other	4,710	4,632
Total current liabilities	152,941	161,234
Non-current liabilities		
Long-term borrowings	446	340
Lease liabilities	2,166	2,188
Deferred tax liabilities	5,703	7,930
Retirement benefit liability	1,653	1,600
Asset retirement obligations	1,469	1,277
Other	3,121	2,673
Total non-current liabilities	14,560	16,010
Total liabilities	167,501	177,244
Net assets		
Shareholders' equity		
Capital stock	30,003	30,003
Capital surplus	89,427	89,430
Retained earnings	140,066	148,784
Treasury shares	(1,841)	(2,793)
Total shareholders' equity	257,655	265,424
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	6,708	9,228
Deferred gains or losses on hedges	(828)	(366)
Foreign currency translation adjustment	2,237	6,309
Remeasurements of defined benefit plans	2,835	4,019
Total accumulated other comprehensive income	10,952	19,191
Share acquisition rights	77	77
Non-controlling interests	576	632
Total net assets	269,261	285,326
Total liabilities and net assets	436,763	462,570

(2) Consolidated statements of income and comprehensive income
Consolidated statements of income

(Million Yen)

	Year Ended March 31, 2023 (Apr 1, 2022 - Mar 31, 2023)	Year Ended March 31, 2024 (Apr 1, 2023 - Mar 31, 2024)
Net sales	922,682	955,580
Cost of sales	792,556	823,025
Gross profit	130,126	132,554
Selling, general and administrative expenses	107,131	110,218
Operating profit	22,994	22,336
Non-operating Income		
Interest income	102	256
Dividend income	378	375
Rental income	454	503
Insurance claim income	214	282
Subsidy income	1,842	3,117
Share of profit of entities accounted for using equity method	439	522
Other	847	694
Total non-operating income	4,279	5,752
Non-operating expenses		
Interest expenses	799	1,810
Rental expenses on real estate	138	136
Other	291	106
Total non-operating expenses	1,229	2,052
Ordinary profit	26,044	26,036
Extraordinary income		
Gain on sale of non-current assets	61	2
Gain on sale of investment securities	35	208
Gain on reversal of provision incurred from business combination	—	595
Subsidies income for equipment	—	3,071
Total extraordinary income	97	3,877
Extraordinary losses		
Loss on retirement of non-current assets	480	1,693
Loss on sale of investment securities	3	431
Impairment loss	327	91
Provision of allowance for doubtful accounts	—	614
Loss on tax purpose reduction entry of non-current assets	—	3,071
Loss on closing plants	—	1,024
Temporary expenses of human resource system reforms	335	—
Others	30	473
Total extraordinary losses	1,177	7,400
Profit before income taxes	24,964	22,513
Income taxes-current	7,640	6,899
Income taxes-deferred	303	2
Total income taxes	7,944	6,902
Profit	17,019	15,611
Profit attributable to non-controlling interests	44	58
Profit attributable to owners of parent	16,975	15,553

Consolidated statements of comprehensive income

(Million Yen)

	Year Ended March 31, 2023 (Apr 1, 2022 - Mar 31, 2023)	Year Ended March 31, 2024 (Apr 1, 2023 - Mar 31, 2024)
Profit	17,019	15,611
Other comprehensive income		
Valuation difference on available-for- sale securities	(21)	2,628
Deferred gains or losses on hedges	(980)	461
Foreign currency translation adjustment	2,083	2,750
Remeasurements of defined benefit plans	(744)	1,103
Share of other comprehensive income of entities accounted for using equity method	905	1,327
Total other comprehensive income	1,242	8,271
Comprehensive income	18,262	23,882
(Breakdown)		
Comprehensive income attributable to owners of parent	18,177	23,792
Comprehensive income attributable to non-controlling interests	84	90

(3) Consolidated statement of changes in equity
Fiscal Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,003	96,615	129,805	(4,150)	252,273
Changes during period					
Dividends from surplus			(6,713)		(6,713)
Profit attributable to owners of parent			16,975		16,975
Repurchase of shares				(5,000)	(5,000)
Disposal of treasury shares		(8)		130	121
Cancellation of treasury shares		(7,179)		7,179	—
Net changes in items other than shareholders' equity					
Total changes during period	—	(7,187)	10,261	2,309	5,382
Balance at end of period	30,003	89,427	140,066	(1,841)	257,655

	Accumulated other comprehensive income					Share acquisition rights	Noncontrolling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	6,727	151	(684)	3,556	9,750	118	598	262,740
Changes during period								
Dividends from surplus								(6,713)
Profit attributable to owners of parent								16,975
Repurchase of shares								(5,000)
Disposal of treasury shares								121
Cancellation of treasury shares								—
Net changes in items other than shareholders' equity	(19)	(980)	2,922	(720)	1,202	(41)	(22)	1,139
Total changes during period	(19)	(980)	2,922	(720)	1,202	(41)	(22)	6,521
Balance at end of period	6,708	(828)	2,237	2,835	10,952	77	576	269,261

Fiscal Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million Yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	30,003	89,427	140,066	(1,841)	257,655
Changes during period					
Dividends from surplus			(6,833)		(6,833)
Profit attributable to owners of parent			15,553		15,553
Repurchase of shares				(1,028)	(1,028)
Disposal of treasury shares		2		76	76
Increase in retained earnings by decreasing of equity method			(1)		(1)
Net changes in items other than shareholders' equity					
Total changes during period	—	2	8,718	(952)	7,769
Balance at end of period	30,003	89,430	148,784	(2,793)	265,424

	Accumulated other comprehensive income					Share acquisition rights	Noncontrolling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of period	6,708	(828)	2,237	2,835	10,952	77	576	269,261
Changes during period								
Dividends from surplus								(6,833)
Profit attributable to owners of parent								15,553
Repurchase of shares								(1,028)
Disposal of treasury shares								79
Increase in retained earnings by decreasing of equity method								(1)
Net changes in items other than shareholders' equity	2,520	461	4,071	1,184	8,238		56	8,294
Total changes during period	2,520	461	4,071	1,184	8,238	—	56	16,064
Balance at end of period	9,228	(366)	6,309	4,019	19,191	77	632	285,326

(4) Consolidated statements of cash flows

	(Million Yen)	
	Year Ended March 31, 2023 (Apr 1, 2022 - Mar 31, 2023)	Year Ended March 31, 2024 (Apr 1, 2023 - Mar 31, 2024)
Cash flows from operating activities		
Profit before income taxes	24,964	22,513
Depreciation	12,187	12,493
Impairment losses	327	91
Increase (decrease) in provision for bonuses	(453)	200
Increase (decrease) in allowance for doubtful accounts	7	697
Amortization of goodwill	1,519	1,597
Interest and dividend income	(480)	(632)
Interest expenses	799	1,810
Insurance claim income	(214)	(282)
Subsidy income	(1,842)	(3,117)
Share of loss (profit) of entities accounted for using equity method	(439)	(522)
Loss (gain) on sale of investment securities	(32)	223
Loss on retirement of non-current assets	480	1,693
Gain on reversal of provision incurred from business combination	—	(595)
Subsidy income for equipment	—	(3,071)
Loss on tax purpose reduction entry of non-current assets	—	3,071
Loss on closing plants	—	1,024
Decrease (increase) in inventories	(22,163)	(782)
Decrease (increase) in trade receivables	(5,418)	(14,766)
Increase (decrease) in trade payables	4,218	5,665
Increase (decrease) in accounts payable - other	(515)	2,852
Increase (decrease) in retirement benefit liability	(43)	(65)
Decrease (increase) in retirement benefit asset	(1,685)	(1,750)
Other	(842)	970
Subtotal	10,372	29,318
Interest and dividends received	1,331	1,483
Proceeds from insurance income	214	281
Subsidies received	1,956	3,316
Subsidies received for equipment	—	3,071
Interest paid	(799)	(1,810)
Payments associated with disaster loss	—	(577)
Payments associated with Loss on closing plants	—	(29)
Income taxes paid	(9,128)	(5,660)
Net cash provided by (used in) operating activities	3,947	29,392
Cash flows from investing activities		
Acquisition of tangible assets	(12,444)	(14,472)
Acquisition of intangible assets	(2,775)	(1,893)
Acquisition of investment securities	(64)	(58)
Proceeds from sale and redemption of investment securities	98	580
Loan advances	(233)	(237)
Proceeds from collection of loans receivable	388	202
Payments for acquisition of businesses	(7,125)	(70)
Other	(770)	(64)
Net cash provided by (used in) investing activities	(22,926)	(16,014)

(Million Yen)

	Year Ended March 31, 2023 (Apr 1, 2022 - Mar 31, 2023)	Year Ended March 31, 2024 (Apr 1, 2023 - Mar 31, 2024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	6,099	5,727
Repayments of long-term borrowings	(144)	(10,126)
Purchase of treasury shares	(5,000)	(1,028)
Dividends paid	(6,710)	(6,828)
Repayments of lease liabilities	(981)	(989)
Other	(107)	(32)
Net cash provided by (used in) financing activities	(6,844)	(13,278)
Effect of exchange rate change on cash and cash equivalents	492	458
Net increase (decrease) in cash and cash equivalents	(25,330)	558
Cash and cash equivalents at beginning of period	47,690	22,359
Cash and cash equivalents at end of period	22,359	22,917

(5) Notes on the consolidated financial statements

(Notes on going concern assumptions)

Not applicable.

(Segment information)

1. Overview of reportable segments and their changes etc

(1) The Group's reportable segments are component units of the Group for which discrete financial information is available and which are subject to regular review by the Board of Directors to decide the allocation of management resources and to assess the performance.

The Group has two reportable segments: the "Processed Food division," which is mainly engaged in the production and sale of ham, sausage, and processed foods, and the "Meat division," which is primarily engaged in the production, processing, and sale of meat.

(2) From this first quarter, the segment of logistics business have changed from "Other" to "Processed Food Division" and "Meat Division" according to Group's organizational changes. In addition, Company-wide Assets that had been included in "Adjustments" until the previous fiscal year can now be classified due to organizational restructuring, so a portion of "Cash and Deposits" and "Investments and Other Assets" is now included in Processed Food Division and Meat Division. Previous year segment information show by after changing of logistics business.

2. Calculation method of net sales, profit or loss, assets, and other items by reportable segments

The accounting methods used for the reported business segments are generally the same as those used to prepare the consolidated financial statements. Profit by reportable segment is based on ordinary profit. Intersegment sales and transfers are based on market prices.

3. Information on net sales, profit or loss, assets and other items, for each reportable segment

For the Year Ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Million Yen)

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated quarterly statements of income (Note 3)
	Processed Food Division	Meat Division	Total				
Net sales							
Sales to outside customers	376,188	546,479	922,668	13	922,682	—	922,682
Intersegment sales and transfers	26,623	80,977	107,601	820	108,421	(108,421)	—
Total	402,812	627,457	1,030,270	834	1,031,104	(108,421)	922,682
Segment profit (loss)	5,124	22,025	27,149	66	27,216	(1,171)	26,044
Segment assets	140,539	218,085	358,625	976	359,601	77,161	436,763
Other items							
Depreciation	6,833	4,735	11,569	3	11,572	497	12,070
Amortization of goodwill	—	130	130	—	130	1,389	1,519
Increase in property, plant and equipment and intangible assets	9,538	7,170	16,709	2	16,712	700	17,412

(Note)

1. "Others" segment which is not included in the reportable segments such as human resource and payroll related services.

2. Adjustments are as follows.

(1) Adjustment on segment profit is mainly due to the amortization of goodwill of -1,389 million yen

(2) Adjustment on segment assets of 77,161 million yen includes corporate assets that are not allocated to each reportable segment.

Corporate assets are mainly consisted of cash and deposits of 10,654 million yen, investments and other assets of 35,178 million yen, and goodwill of 16,668 million yen.

(3) Adjustment on increase in property, plant and equipment and intangible assets of 700 million yen is mainly due to an increase in corporate assets that are not allocated to each segment.

3. Segment profit (loss) is adjusted to ordinary profit in the quarterly consolidated statements of income.

For the Year Ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Million Yen)

	Reportable segments			Others (Note 1)	Total	Adjustments (Note 2)	Amount recorded on consolidated quarterly statements of income (Note 3)
	Processed Food Division	Meat Division	Total				
Net sales							
Sales to outside customers	391,336	564,227	955,564	15	955,580	—	955,580
Intersegment sales and transfers	37,700	70,759	108,460	901	109,361	(109,361)	—
Total	429,037	634,987	1,064,024	917	1,064,942	(109,361)	955,580
Segment profit (loss)	9,051	18,131	27,183	(168)	27,014	(978)	26,036
Segment assets	151,011	235,457	386,469	603	387,072	75,498	462,570
Other items							
Depreciation	6,829	5,088	11,918	3	11,922	487	12,410
Amortization of goodwill	—	208	208	—	208	1,389	1,597
Increase in property, plant and equipment and intangible assets	8,436	10,254	18,690	—	18,690	619	19,309

(Note)

1. "Others" segment which is not included in the reportable segments such as human resource and payroll related services.
2. Adjustments are as follows.
 - (1) Adjustment on segment profit is mainly due to the amortization of goodwill of -1,389 million yen
 - (2) Adjustment on segment assets of 75,498 million yen includes corporate assets that are not allocated to each reportable segment. Corporate assets are mainly consisted of cash and deposits of 11,993 million yen, investments and other assets of 38,547 million yen, and goodwill of 15,279 million yen.
 - (3) Adjustment on increase in property, plant and equipment and intangible assets of 619 million yen is mainly due to an increase in corporate assets that are not allocated to each segment.
3. Segment profit (loss) is adjusted to ordinary profit in the quarterly consolidated statements of income.

(Per share information)

	Year Ended March 31, 2023 (Apr. 1, 2022 - Mar. 31, 2023)	Year Ended March 31, 2024 (Apr. 1, 2023 - Mar. 31, 2024)
Net assets per share	4,717.02 Yen	5,018.37 Yen
Profit per share	294.07 Yen	273.24 Yen
Diluted profit per share	293.96 Yen	273.14 Yen

(Note) 1. As the effective date on October 1 2023, we have completed a share consolidation (combining 5 shares of common stock into 1 share). In regard to Per share information, it shows on the assumption of the share consolidation be carried out at the beginning of previous fiscal year.

(Note) 2. The basis for calculation of Net assets per share is as follows.

	As of March 31, 2023	As of March 31, 2024
Total net assets (Million Yen)	269,261	285,326
Amount deducted from total net assets (Million Yen)	653	709
of these, Share acquisition rights (Million Yen)	77	77
of these, Non-controlling interests (Million Yen)	576	632
Net assets related to common shares at the end of the period (Million Yen)	268,608	284,616
Number of common shares at the end of the period used in the calculation of net assets per share (Thousand Shares)	56,944	56,714

(Note) 3. The basis for calculation of Profit per share and Diluted profit per share is as follows.

	Year Ended March 31, 2023 (Apr. 1, 2022 - Mar. 31, 2023)	Year Ended March 31, 2024 (Apr. 1, 2023 - Mar. 31, 2024)
Profit per share		
Profit attributable to owners of parent (Million Yen)	16,975	15,553
Amount not attributable to common shareholders (Million Yen)	—	—
Profit attributable to owners of parent related to common shares (Million Yen)	16,975	15,553
Average number of common shares during the period (Thousand Shares)	57,723	56,922
Diluted net income per share		
Adjustments of profit attributable to owners of parent (Million Yen)	—	—
Increase in common shares (Thousand Shares)	22	20
of these, Share acquisition rights (Thousand Shares)	22	20
Outline of anti-dilutive potential shares excluded from the calculation of diluted net income per share	—	—

(Significant subsequent events)

Not applicable.