May 15, 2024

Consolidated Financial Results (Japanese Accounting Standards) for the FY2023 (Ended March 31, 2024) (English Translation)

Company name:	KAMEDA SEIKA CO., LTD.
Stock exchange:	Tokyo Stock Exchange
Stock code:	2220
URL:	www.kamedaseika.co.jp
Representative:	Masanori Takagi, President and COO
Contact:	Akira Kobayashi, Senior Managing Director & CFO, General Manager of Administrative Division Tel. +81-25-382-2111

Scheduled date of ordinary shareholder's meeting:	June 18, 2024
Scheduled date of commencement of dividend payment:	June 19, 2024
Scheduled date for filing of securities report:	June 18, 2024
Supplementary documents for financial results:	Yes
Financial results briefing:	Yes (for analysts and institutional investors)

(All amounts are rounded down to the nearest million yen)

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

(1) Consolidated Results of Operations (Percentages show year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent	
Year ended	¥ million	%	¥ million	%	¥ million	%	¥ million	%
March 31, 2024	95,534	0.6	4,467	25.3	6,798	30.4	2,257	19.2
March 31, 2023	94,992	11.5	3,564	-26.2	5,215	-14.1	1,892	-57.2

(Note) Comprehensive income: ¥ 6,953 million (121.6%) for the fiscal year ended March 31, 2024
¥ 3,138 million (-54.5%) for the fiscal year ended March 31, 2023

	Net income per share (basic)	Net income per share (diluted)	Return on equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
Year ended	¥	¥	%	%	%
March 31, 2024	107.06	―	3.3	5.9	4.7
March 31, 2023	89.78	―	3.0	4.9	3.8

(Reference) Equity in earnings of affiliates: ¥ 864 million for the fiscal year ended March 31, 2024
¥ 991 million for the fiscal year ended March 31, 2023

(2) Consolidated Results of Operations

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
As of March 31, 2024	120,510	73,718	58.0	3,317.24
As of March 31, 2023	111,182	67,996	58.3	3,076.11

(Reference) Shareholder's equity: As of March 31, 2024: ¥ 69,938million
As of March 31, 2023: ¥ 64,855 million

(3) Consolidated Cash Flow

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of fiscal year
Year ended	¥ million	¥ million	¥ million	¥ million
March 31, 2024	9,730	-8,140	-1,255	7,442
March 31, 2023	8,285	-8,442	972	6,974

2. Dividends

	Dividend per share					Total dividends (annual)	Payout ratio (consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	End of third quarter	Year-end	Annual			
	¥	¥	¥	¥	¥	¥ million	%	%
Year ended March 31, 2023	—	15.00	—	40.00	55.00	1,159	61.3	1.8
Year ended March 31, 2024	—	15.00	—	41.00	56.00	1,180	52.3	1.8
Year ending March 31, 2025 (forecasts)	—	15.00	—	42.00	57.00		41.4	

3. Forecasts of Consolidated Financial Results for the Fiscal year Ending March 31, 2025 (April 1, 2024 - March 31, 2025)

(Percentage figures for the fiscal year represent the changes from the previous year, while percentage figures for the six months' period represent the changes from the same period of the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of the parent		Net income per share
	¥ million	%	¥ million	%	¥ million	%	¥ million	%	¥
Six months ending September 30, 2024	47,000	6.7	900	5.3	1,300	-39.4	350	-64.3	16.60
Year ending March 31, 2025	100,000	4.7	4,500	0.7	5,700	-16.2	2,900	28.5	137.55

* Notes

(1) Changes of important subsidiaries during the period (changes of specific subsidiaries in accordance with changes in the scope of consolidation): Yes

Exclusion: one company, (company name) Singha Kameda Trading (Thailand) Co., Ltd.

(Note) For details, please refer to "3. Consolidated Financial Statements and Major Notes (5) Notes to the Consolidated Financial Statements (Important Notes on the Basis of Preparation of the Financial Statements)" on page 15.

(2) 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

(3) Number of shares outstanding (common stock):

(i) Number of shares outstanding at end of period (including treasury stock)

As of March 31, 2024: 22,318,650 shares

As of March 31, 2023: 22,318,650 shares

(ii) Number of treasury stock at end of period

As of March 31, 2024: 1,235,240 shares

As of March 31, 2023: 1,234,981 shares

(iii) Average number of shares outstanding during the term

Year ended March 31, 2024: 21,083,497 shares

Year ended March 31, 2023: 21,083,670 shares

(Reference) Summary of Non-Consolidated Financial Results

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

(1) Non-Consolidated Results of Operations (Percentages show year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	¥ million	%	¥ million	%	¥ million	%	¥ million	%
Year ended March 31, 2024	59,812	-4.1	2,476	47.3	5,041	27.5	-532	―
Year ended March 31, 2023	62,372	6.3	1,681	-48.4	3,953	-21.9	1,148	-66.6

	Net income Per share (basic)	Net income Per share (diluted)
	¥	¥
Year ended March 31, 2024	-25.27	―
Year ended March 31, 2023	54.47	―

(2) Non-Consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	¥ million	¥ million	%	¥
Year ended March 31, 2024	80,937	42,021	51.9	1,993.09
Year ended March 31, 2023	81,630	43,361	53.1	2,056.66

(Reference) Shareholder's equity: Year ended March 31, 2024: ¥ 42,021 million
Year ended March 31, 2023: ¥ 43,361 million

<Reasons for difference between non-consolidated financial results for the fiscal year ended March 31, 2024 (April 1, 2023 – March 31, 2024) and previous fiscal year results>

In the fiscal year ended March 31, 2024, the Company posted an extraordinary loss on provision of allowance for doubtful accounts to a consolidated subsidiary, resulting in a difference in actual net income compared to the previous fiscal year.

* These financial results are not subject to auditing.

* Statement regarding the appropriate use of operating forecasts and special notes

(Caution concerning statements, etc. regarding the future)

The forward-looking statements such as performance 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. Actual results may differ significantly from these forecasts due to various factors. See "1. Summary of Consolidated Operating Results etc. (4) Future Prospects" on p.6 of the Appendix for the conditions assumed in consolidated forecasts and notes on the use of consolidated forecasts.

(How to obtain supplementary explanatory materials on financial results and details of financial results briefing session)

The Company intends to hold a Zoom webinar for analysts and institutional investors on Monday, May 27, 2024. Any explanatory materials used on that day will be available on the Company's website before the session starts.

Contents of Appendix

1. Summary of Consolidated Operating Results etc.

(1) Summary of Consolidated Operating Results for the Period under Review

During the fiscal year ended March 31, 2024, the Japanese economy continued to grow firmly, driven by growth in foreign demand, while domestic consumer spending experienced ups and downs due to rising prices.

In corporate operations, soaring raw material and energy prices have not been resolved, due in part to ongoing depreciation of the yen, and these factors continue to put downward pressure on corporate earnings.

Domestic food companies continue to be forced into difficult steering in light of this economic environment.

The KAMEDA SEIKA Group is working to implement its Medium-to-Long-Term Growth Strategy 2030, which was restructured in light of these changes in the business environment. We position contributing to the healthy lifestyles of our customers through the blessings of rice to further refine the values of excellent flavor, health, and excitement, as our purpose, “Better For You.” By realizing our vision of becoming a Rice Innovation Company that maximizes the potential of rice to create new value and new markets around the world, we aim to achieve sustainable growth and an improvement in our corporate value.

Up to now, we have been expanding our business domains through upfront investments in the Overseas Business and Food Business, based on the business foundation of the technology and know-how we have developed in the Domestic Rice Cracker Business. Going forward, we aim to develop an asset-light, highly profitable business model leveraging the strength of the technology and know-how accumulated through these efforts. We will establish a foundation for the KAMEDA SEIKA Group’s earnings by FY2026, and subsequently, based on that solid foundation, we will aim for further business expansion to achieve sustainable growth and improve corporate value for FY2030.

In FY2023, which was the first year of the Medium-Term Business Plan, we aim to be a company that continues to provide value to customers, mainly through the development of products that meet the diversifying needs of society and contribute to solving social issues, and have implemented structural reforms and strengthening our management foundation.

In the Domestic Rice Cracker Business, demand remained firm amid a recovery in out-of-home consumption. We are shifting to a competitive strategy that appeals for value by enhancing product uniqueness, and while engaged in such efforts, we have worked to secure earnings such as by implementing price revisions and specification changes in consideration of continued high raw material and energy prices.

We renewed our key brand “KAMEDA Kaki-no-Tane” with the aim of “evolving into a snack that can be enjoyed anytime, anywhere, and with anyone,” and worked to deepen our brand value through efforts such as broadcasting TV commercials that appeal to new products while strengthening in-store exposure in association with these commercials. We made efforts to stimulate demand for “KAMEDA Tsumami Dane” through the release of limited-time products. For “Happy Turn” and the “Mugen” series, we have continued to implement initiatives aimed at capturing younger customers, including collaboration campaigns with popular smartphone app games. We have also advanced efforts toward both deepening our brand value and evolving product value, including the development of new value-added products utilizing the rice processing technology that we have cultivated. Furthermore, in conjunction with our product strategy, we have engaged in activities that are focused on value appeal, such as increasing our production capacity, sales at reasonable prices, and effective execution of sales promotion expenses.

As a result of these initiatives for the four priority brands, net sales were higher year-on-year for the “Mugen” series, while net sales for “KAMEDA Kaki-no-Tane,” “Happy Turn,” and “KAMEDA Tsumami Dane” were lower year-on-year, due in part to the impact of inventory shortages that occurred in the first half of the fiscal year.

Meanwhile, Group companies that manufacture and sell products for department stores and souvenirs posted higher revenue, partly due to the market recovery effect following normalization from the COVID-19 pandemic. However, this was not enough to offset the decline in revenue in KAMEDA SEIKA’s Rice Cracker Business, and overall net sales in the Domestic Rice Cracker Business declined year-on-year.

In the Overseas Business, Mary’s Gone Crackers, Inc. in North America continued to restore production activities and normalize its supply system, and also worked to improve profitability by restoring its business base, implementing price increases, and expanding sales channels. Meanwhile, the Asian region generally performed well. In particular, THIEN HA KAMEDA, JSC. in Vietnam benefited from strong domestic demand as well as expanded cross-border transactions, resulting in higher overall net sales in the Overseas Business year-on-year.

In the Food Business, in plant-based food, we released salad chicken products made with 100% plant-based ingredients and worked on expanding sales. We have also actively marketed 28-allergen-free rice flour bread for its unique qualities such as texture derived from rice flour, and have begun expanding its distribution for commercial use in addition to individual use. Moreover, we have worked to expand sales channels for plant origin lactic acid bacteria by promoting its functionality and differentiating it from other products. As for long-life preserved foods, although the business was affected by a reactionary decline in individual demand compared to the previous period, which had increased year-on-year, and adoption by local governments for home treatment support supplies due to factors such as earthquakes and the COVID-19 pandemic, revenue grew in the latter half of the fiscal year partly due to an increase in demand resulting from the Noto Peninsula Earthquake and other factors. As a result, net sales increased year-on-year in the Food Business overall.

As a result of the above, net sales totaled ¥95,534 million (up 0.6% year-on-year).

In terms of operating income, in KAMEDA SEIKA’s Rice Cracker Business, we worked to improve our product mix through measures such as product price revisions and specification changes, as well as focused sales promotion activities and enhanced production capabilities aimed at the growth of our four priority brands, while continuing efforts to improve production efficiency through efficient execution of sales promotion expenses, narrowing down the number of our products, and utilizing outsourced production. As a result, profitability has steadily improved, and profit increased year-on-year. In addition, the Domestic Rice Cracker Business as a whole reported an increase in profit year-on-year, partly due to the effect of an increase in revenue following the recovery of the flow of people for Group companies that manufacture and sell products for department stores and souvenirs.

In the Overseas Business, the profit decrease at Mary’s Gone Crackers, Inc. worsened due to one-time costs associated with structural reforms incurred in the process of normalizing operations. However, as a result of factors including expanded cross-border transactions in addition to domestic sales at THIEN HA KAMEDA, JSC., the Asian region generally performed well, and steady profit growth in the region was achieved. As a result, losses in the Overseas Business overall decreased year-on-year.

In the Food Business, although demand grew in the fourth quarter, this was insufficient to offset the impact of a reactionary decline in personal demand for long-life preserved foods, and the effect of advance investment aimed at expanding the scale of plant-based food also led to a year-on-year decrease in profit.

As a result of these efforts, operating income totaled ¥4,467 million (up 25.3% year-on-year), marking a steady recovery in the earning power of our core businesses.

In addition, although there was a decrease in equity in earnings of affiliates in TH FOODS, INC., an affiliate accounted for by the equity method, the abovementioned increase in operating income combined with temporary foreign exchange gains resulting from depreciation of the yen resulted in ordinary income of ¥6,798 million (up 30.4% year-on-year).

Net income attributable to owners of the parent amounted to ¥2,257 million (up 19.2% year-on-year), partly due to an increase in ordinary income combined with the booking of subsidy income in connection with construction of the plant of a subsidiary, despite the recording of extraordinary losses attributable to Mary’s Gone Crackers, Inc.

Supplementary Information

(Unit: ¥ million)

	Year ended March 31, 2023	Year ended March 31, 2024	〔Reference〕 YoY	
			Change	Change (%)
Net sales	94,992	95,534	542	0.6%
Domestic Rice Cracker Business	67,703	66,307	-1,396	-2.1%
Overseas Business *1	13,751	15,096	1,345	9.8%
Food Business *2	7,065	7,278	212	3.0%
Other (Freights transport etc.) *3	6,471	6,852	381	5.9%
Operating income	3,564	4,467	902	25.3%
Operating income margin	3.8%	4.7%		
Domestic Rice Cracker Business	3,449	4,330	881	25.5%
Overseas Business *1	- 589	-413	176	―
Food Business *2	374	154	-219	-58.7%
Other (Freights transport etc.) *3	330	395	64	19.6%

*1. Overseas business includes domestic import and export transactions in addition to those of overseas subsidiaries.

*2. Food business is mainly comprised of long-life preserved foods and plant origin lactic acid bacteria as well as rice flour bread and plant-based food.

*3. “Other” consists mainly of the subsidiary’s logistic business.

(2) Summary of Consolidated Financial Position for the Period under Review

(Assets)

Current assets stood at ¥34,208 million at the end of the consolidated fiscal year under review, an increase of ¥2,941 million from the end of the previous fiscal year. This was mainly due to increases of ¥941 million in “Cash and deposits,” ¥1,460 million in “Notes, accounts receivable-trade and contract assets,” ¥196 million in “Merchandise and finished goods,” ¥163 million in “Raw materials and suppliers,” and ¥207 million in “Other.” Fixed assets stood at ¥86,302 million, an increase of ¥6,386 million from the end of the previous fiscal year. This was mainly attributable to increases of ¥801 million in “Buildings and structures,” ¥906 million in “Construction in progress,” ¥2,394 million in “Investment securities,” and ¥4,197 million in “Net defined benefit assets,” which were partly offset by decreases of ¥995 million in “Machinery, equipment and vehicles” and ¥538 million in “Lease assets.”

As a result, total assets stood at ¥120,510 million, an increase of ¥9,328 million from the end of the previous fiscal year.

(Liabilities)

Current liabilities stood at ¥29,856 million at the end of the consolidated fiscal year under review, an increase of ¥4,134 million from the end of the previous fiscal year. This was mainly due to increases of ¥2,618 million in “Short-term loans payable,” ¥602 million in “Income taxes payable,” and ¥723 million in “Other.” Long-term liabilities stood at ¥16,934 million, a decrease of ¥528 million from the end of the previous fiscal year. This was mainly due to a ¥2,281 million decline in “Long-term loans payable,” which was partly offset by a ¥1,769 million increase in “Deferred tax liabilities.”

As a result, total liabilities stood at ¥46,791 million, an increase of ¥3,606 million from the end of the previous fiscal year.

(Net assets)

Total net assets stood at ¥73,718 million at the end of the consolidated fiscal year under review, an increase of ¥5,722 million from the end of the previous fiscal year. This was mainly due to a ¥1,097 million increase in “Retained earnings” resulting from “Net income attributable to owners of the parent” of ¥2,257 million and “Dividends from surplus” of ¥1,159 million, and increases of ¥1,402 million in “Foreign currency translation adjustments,” ¥2,228 million in “Remeasurements of defined benefit plans,” and ¥638 million in “Non-controlling interests.”

As a result, the equity ratio was 58.0%, down from 58.3% at the end of the previous fiscal year.

(3) Summary of Cash Flows for the Period under Review

Cash and cash equivalents (“funds”) at the end of the fiscal year stood at ¥7,442 million, a year-on-year increase of ¥467 million.

Cash flows at the end of the consolidated fiscal year under review and factors relating to these are as follows.

(Cash Flows from Operating Activities)

Funds from operating activities totaled ¥9,730 million (increase of ¥1,445 million in income from the previous fiscal year).

This is primarily attributable to change in income before income taxes due to ① increases and decreases in non-cash items such as depreciation and amortization and impairment losses, ② changes in assets and liabilities related to operating activities such as retirement benefits and accounts receivable, and ③ income taxes paid, etc.

(Cash Flows from Investment Activities)

Funds used in investing activities totaled ¥8,140 million (decrease of ¥301 million in spending from the previous fiscal year).

This was mainly due to expenditure for the purchase of property, plant and equipment.

(Cash Flows from Financing Activities)

Funds from financing activities totaled a negative balance of ¥1,255 million (decrease of ¥2,227 million in income from the previous fiscal year).

This was mainly attributable to a net increase (decrease) in short-term loans payable, repayment of long-term loans payable, and cash dividends paid.

Free cash flow, which is computed by subtracting the net cash used in investing activities from the net cash provided by operating activities, totaled ¥1,590 million.

(Reference) Cash Flow Indicators

	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2024
Equity ratio (%)	61.6	62.7	61.3	58.3	58.0
Equity ratio based on market value (%)	121.5	109.4	81.0	83.3	74.7
Interest bearing debt to cash flow (annual)	1.8	1.8	2.3	2.8	2.4
Interest coverage ratio (×)	59.8	91.6	191.4	71.0	131.1

Equity ratio: Equity capital/total assets
Equity ratio based on market value: Market capitalization/total assets
Interest bearing debt to cash flow: Interest bearing debt/cash flow from operating activities
Interest coverage ratio: Cash flow from operating activities/interest payments

1. Each indicator is calculated based on consolidated financial figures.
2. Market capitalization is calculated based on the share closing price at the end of the fiscal year × total number of shares issued at the end of the fiscal year (after deducting treasury stock).
3. Cash flow from operating activities is used as cash flow. Interest bearing debt includes all liabilities for which interest is paid among the liabilities listed on the balance sheet. Also, the interest expenses paid in the consolidated statements of cash flows are used in interest payment.

(4) Future Prospects

Under the Medium-to-Long-Term Growth Strategy 2030, the KAMEDA SEIKA Group has set its vision of becoming a Rice Innovation Company that maximizes the potential of rice to create new value and new markets around the world. In so doing, we aim to achieve sustainable growth and an improvement in our corporate value.

In the fiscal year ending March 31, 2025, positive factors are expected, including a recovery in personal consumption due to improvements in real wages and an increase in demand from inbound tourism. On the other hand, uncertainty regarding the future still lingers, including exchange rate fluctuations as well as concerns about stagnation in personal consumption due to rising prices associated with high raw material and energy prices.

Amid such an environment, in order to accelerate the shift from quantitative growth (price appeal) to qualitative growth (value appeal) in the Domestic Rice Cracker Business, we will work to optimize the supply chain by strengthening our four priority brands and high value-added products, increasing our production capacity including via external partnerships, and building an efficient sales structure by carrying out sales activities focused on value-added products. In the Overseas Business, with an eye toward achieving profitability, we will focus on further promoting cross-border transactions and strengthening the development of our own brand in Asia, as well as restructuring our business in North America. In the Food Business, we will work to expand sales channels and increase our production capacity for long-life preserved foods centered on private-sector demand, and to expand sales of rice flour bread and plant-based food by reviewing our marketing and sales functions. We will also strive to expand sales channels for functional foods, including overseas, and launch new functional ingredients into the market.

The Company projects the following consolidated forecasts for FY2024: net sales of ¥100,000 million (up 4.7% year-on-year); operating income of ¥4,500 million (up 0.7% year-on-year); ordinary income of ¥5,700 million (down 16.2% year-on-year); and, net income attributable to owners of the parent of ¥2,900 million (up 28.5% year-on-year).

The assumptions for exchange rates on which the earnings forecasts are based are: 1 USD = 140.0 JPY; 1 CNY = 20.0 JPY; 1 THB = 4.0 JPY; 1 VND = 0.0060 JPY.

* Notes concerning performance forecasts

Statements regarding the future business environment and performance forecasts are based on information available to the Company at the time of their announcement and on assumptions made for planning purposes. Actual results may differ from the forecast values depending on a range of factors.

2. Basic View Concerning Choice of Accounting Standards

In its accounting standards, the KAMEDA SEIKA Group takes into consideration the comparability of financial statements among domestic companies in the same industry, and has adopted Japanese Accounting Standards.

In the future, however, the Group will consider applying International Financial Reporting Standards, while considering various circumstances such as trends regarding the application of such Standards.

3. Consolidated Financial Statements and Major Notes

(1) Consolidated Balance Sheet

(¥ million)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	*3 8,275	9,217
Notes, accounts receivable-trade and contact assets	*1 13,654	*1 15,114
Merchandise and finished goods	2,791	2,987
Work in process	791	757
Raw materials and supplies	3,874	4,038
Other	1,899	2,106
Allowance for doubtful accounts	(20)	(13)
Total current assets	31,266	34,208
Fixed assets		
Property, plant and equipment		
Buildings and structures	46,100	48,261
Accumulated depreciation	(27,911)	(29,270)
Buildings and structures, net	*3 18,188	*3 18,990
Machinery, equipment and vehicles	68,868	69,100
Accumulated depreciation	(47,592)	(48,820)
Machinery, equipment and vehicles, net	21,275	20,279
Land	*3 7,269	*3 7,269
Lease assets	4,255	3,689
Accumulated depreciation	(1,231)	(1,203)
Lease assets, net	3,024	2,485
Construction in progress	1,071	1,978
Other	4,335	4,512
Accumulated depreciation	(3,184)	(3,444)
Other, net	1,151	1,068
Total property, plant and equipment	51,981	52,071
Intangible assets		
Goodwill	2,125	2,085
Lease assets	15	9
Customer related assets	887	816
Trademark assets	795	730
Technology assets	493	453
Other	1,065	1,159
Total intangible assets	5,382	5,255
Investments and other assets		
Investment securities	*2 14,941	*2 17,336
Deferred tax assets	531	275
Net defined benefit assets	5,855	10,053
Other	*3 1,267	*3 1,354
Allowance for doubtful accounts	(44)	(43)
Total investments and other assets	22,551	28,975
Total fixed assets	79,915	86,302
Total assets	111,182	120,510

(¥ million)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	4,571	4,563
Electronic-recording liabilities	2,910	3,014
Short-term loans payable	*3, *4 7,034	*3, *4 9,652
Lease obligations	607	609
Income taxes payable	498	1,101
Provision for bonuses	1,455	1,516
Provision for directors' bonuses	64	94
Asset retirement obligations	67	70
Other	8,511	9,234
Total current liabilities	25,722	29,856
Long-term liabilities		
Long-term loans payable	*3 13,470	*3 11,189
Lease obligations	2,406	2,331
Deferred tax liabilities	740	2,509
Liabilities for retirement benefits	539	582
Asset retirement obligations	282	298
Other	23	23
Total long-term liabilities	17,462	16,934
Total liabilities	43,185	46,791
Net assets		
Shareholders' equity		
Capital stock	1,946	1,946
Capital surplus	170	170
Retained earnings	59,163	60,260
Treasury stock	(1,901)	(1,903)
Total shareholders' equity	59,378	60,474
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	665	1,023
Deferred gains (losses) on hedges	1	—
Foreign currency translation adjustment	4,443	5,846
Remeasurements of defined benefit plans	366	2,594
Total accumulated other comprehensive income	5,477	9,463
Non-controlling interests	3,141	3,780
Total net assets	67,996	73,718
Total liabilities and net assets	111,182	120,510

(2) Consolidated Income Statement and Consolidated Comprehensive Income Statement
(Consolidated Income Statement)

(¥ million)

	Year ended March 31, 2023	Year ended March 31, 2024
Net sales	*1 94,992	*1 95,534
Cost of sales	70,458	69,760
Gross profit	24,533	25,774
Selling, general and administrative expenses	*2, *3 20,968	*2, *3 21,307
Operating income	3,564	4,467
Non-operating income		
Interest income	85	131
Dividend income	53	59
Equity in earnings of affiliates	991	864
Foreign exchange gains	419	1,065
Other	252	373
Total non-operating income	1,802	2,494
Non-operating expenses		
Interest expenses	95	89
Commitment fee	12	16
Depreciation of inactive fixed assets	0	21
Other	43	36
Total non-operating expenses	152	163
Ordinary income	5,215	6,798
Extraordinary income		
Subsidy income	*4 335	*4 914
Total extraordinary income	335	914
Extraordinary losses		
Loss on disposal of noncurrent assets	*5 394	*5 237
Impairment loss	*6 2,166	*6 2,368
Loss on valuation of investment securities	89	—
Total extraordinary losses	2,649	2,606
Income before income taxes	2,901	5,106
Income taxes-current	845	1,460
Income taxes-deferred	(104)	871
Total income taxes	741	2,332
Net income	2,159	2,774
Net income attributable to non-controlling interests	266	517
Net income attributable to owners of the parent	1,892	2,257

(Consolidated Comprehensive Income Statement)

(¥ million)

	Year ended March 31, 2023	Year ended March 31, 2024
Net income	2,159	2,774
Other comprehensive income		
Valuation difference on available-for-sale securities	(49)	357
Deferred gains (losses) on hedges	(2)	(1)
Foreign currency translation adjustment	1,044	(46)
Adjustment for retirement benefits	(955)	2,228
Share of other comprehensive income of associates accounted for using equity method	942	1,642
Total other comprehensive income	*1 979	*1 4,179
Comprehensive income	3,138	6,953
(Breakdown)		
Comprehensive income attributable to owners of the parent	2,579	6,243
Comprehensive income attributable to non-controlling interests	559	709

(3) Consolidated Statement of Changes in Shareholders' Equity

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of April 1, 2022	1,946	170	58,408	(1,901)	58,623
Changes during the period					
Dividends from surplus			(1,138)		(1,138)
Net income attributable to owners of the parent			1,892		1,892
Purchase of treasury stock				(0)	(0)
Change in items other than shareholders' equity (net)					
Total changes during the period	—	—	754	(0)	754
As of March 31, 2023	1,946	170	59,163	(1,901)	59,378

	Comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total comprehensive income		
As of April 1, 2022	715	4	2,749	1,321	4,791	2,631	66,046
Changes during the period							
Dividends from surplus							(1,138)
Net income attributable to owners of the parent							1,892
Purchase of treasury stock							(0)
Change in items other than shareholders' equity (net)	(49)	(2)	1,694	(955)	686	509	1,195
Total changes during the period	(49)	(2)	1,694	(955)	686	509	1,950
As of March 31, 2023	665	1	4,443	366	5,477	3,141	67,996

Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)

(¥ million)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
As of April 1, 2023	1,946	170	59,163	(1,901)	59,378
Changes during the period					
Dividends from surplus			(1,159)		(1,159)
Net income attributable to owners of the parent			2,257		2,257
Purchase of treasury stock				(1)	(1)
Change in items other than shareholders' equity (net)					
Total changes during the period	—	—	1,097	(1)	1,096
As of March 31, 2024	1,946	170	60,260	(1,903)	60,474

	Comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains (losses) on hedges	Foreign currency translation adjustment	Remeasure-ments of defined benefit plans	Total comprehensive income		
As of April 1, 2023	665	1	4,443	366	5,477	3,141	67,996
Changes during the period							
Dividends from surplus							(1,159)
Net income attributable to owners of the parent							2,257
Purchase of treasury stock							(1)
Change in items other than shareholders' equity (net)	357	(1)	1,402	2,228	3,986	638	4,625
Total changes during the Period	357	(1)	1,402	2,228	3,986	638	5,722
As of March 31, 2024	1,023	—	5,846	2,594	9,463	3,780	73,718

(4) Consolidated Cash Flow Statement

(¥ million)

	Year ended March 31, 2023	Year ended March 31, 2024
Cash flows from operating activities		
Income before income taxes	2,901	5,106
Depreciation and amortization	5,922	6,008
Impairment loss	2,166	2,368
Amortization of goodwill	168	173
Increase (decrease) in bonus provisions	144	55
Increase (decrease) in provision for directors' bonuses	(58)	30
Increase (decrease) in net defined benefit liability	14	39
Decrease (increase) in net defined benefit asset	(1,209)	(990)
Interest and dividend income	(139)	(191)
Interest expenses	95	89
Equity in losses (earnings) of affiliates	(991)	(864)
Foreign exchange loss (gain)e	(447)	(1,103)
Loss (gain) on disposal of noncurrent assets	394	237
Subsidy income	(335)	(914)
Loss (gain) on valuation of investment securities	89	—
Decrease (increase) in notes and accounts receivable-trade	(304)	(1,348)
Decrease (increase) in inventories	(1,147)	(198)
Increase (decrease) in notes and accounts payable-trade	1,123	50
Decrease (increase) in other assets	(888)	676
Increase (decrease) in other liabilities	817	52
Increase (decrease) in accrued consumption taxes	(121)	613
Other	(20)	△14
Subtotal	8,173	9,877
Interest and dividend income received	636	815
Interest expenses paid	(116)	(74)
Income taxes paid	(408)	(887)
Net cash provided by (used in) operating activities	8,285	9,730

	Year ended March 31, 2023	Year ended March 31, 2024
		(¥ million)
Cash flows from investing activities		
Net decrease (increase) in time deposits	(319)	(368)
Purchase of property, plant and equipment	(7,252)	(7,303)
Proceeds from sales of property, plant and equipment	5	7
Payments for retirement of property, plant and equipment	(98)	(119)
Purchase of investment securities	(734)	(13)
Proceeds from sales of investment securities	0	0
Purchase of intangible assets and investments	(401)	(347)
Proceeds from sales of intangible assets and investments, etc.	25	3
Subsidies received	335	—
Other	(1)	1
Net cash provided by (used in) investing activities	(8,442)	(8,140)
Cash flows from financing activities		
Net increase (decrease) in short-term loans payable	(5,238)	2,833
Proceeds from long-term loans payable	10,000	—
Repayment of long-term loans payable	(2,262)	(2,531)
Repayments of lease obligations	(339)	(325)
Purchase of treasury stock	(0)	(1)
Cash dividends paid	(1,137)	(1,159)
Dividends paid to non-controlling interests	(49)	(71)
Net cash provided by (used in) financing activities	972	(1,255)
Effect of exchange rate changes on cash and cash equivalents	214	133
Net increase (decrease) in cash and cash equivalents	1,029	467
Cash and cash equivalents, beginning of term	5,944	6,974
Cash and cash equivalents, end of term	*1 6,974	*1 7,442

(5) Notes to the Consolidated Financial Statements

(Notes to the Assumption of a Going Concern)

Not applicable.

(Important Notes on the Basis of Preparation of the Financial Statements)

1. Scope of consolidation

Number of consolidated subsidiaries: 17

Names of consolidated subsidiaries:

Ajicul Co., Ltd.
Toyosu Co., Ltd.
Nisshin Seika Co., Ltd.
Mary's Gone Crackers, Inc.
KAMEDA USA, INC.
THAI KAMEDA CO., LTD.
Singha Kameda (Thailand) Co., Ltd.
Qingdao Kameda Foods Co., Ltd.
LYLY KAMEDA CO., LTD.
THIEN HA KAMEDA, JSC.
Onisi Foods Co., Ltd.
Maisen Co., Ltd.
Maisen Fine Foods Co., Ltd.
TAINAI Co., Ltd.
Niigata Yuso Co., Ltd.
Kameda Transport Co., Ltd.
N. A. S. Co., Ltd.

During the previous consolidated fiscal year, Singha Kameda Trading (Thailand) Co., Ltd., formerly a consolidated subsidiary, was excluded from the scope of consolidation from the current consolidated fiscal year forward due to the completion of its liquidation as of September 28, 2023.

2. Scope of the Use of Equity Accounting

(1)Number of affiliates accounted for by the equity method: 3

Names of affiliated companies:

MASUYA CO., Ltd.
TH FOODS, INC.
KAMEDA LT FOODS (INDIA) PRIVATE LIMITED

KAMEDA LT FOODS (INDIA) PRIVATE LIMITED changed its name from Daawat KAMEDA (India) Private Limited on July 25, 2023.

(2)Among the affiliates accounted for by the equity method, MASUYA Co., Ltd. has a balance sheet date of September 30. In preparing the consolidated financial statements, we use financial statements prepared by provisional settlement of accounts as of the consolidated balance sheet date. All other affiliates accounted for by the equity method have the same balance sheet date as the consolidated balance sheet date.

3. Matters related to the fiscal year, etc. of consolidated subsidiaries

Among the consolidated subsidiaries, Mary's Gone Crackers, Inc., KAMEDA USA, INC., Singha Kameda (Thailand) Co., Ltd., Qingdao Kameda Foods Co., Ltd. and LYLY KAMEDA CO., LTD. have a balance sheet date of December 31.

In preparing the consolidated financial statements, financial statements as of that date are used, and adjustments necessary for consolidation are made for any material transactions that occur between that date and the consolidated balance sheet date.

The balance sheet dates of the other consolidated subsidiaries are all the last day of the consolidated fiscal year.

4. Accounting Standards and Methods

(1) Valuation

(i) Securities

Available-for-sale securities

Other than stocks that do not have fair market values

Mark-to-market method (total net unrealized gains or losses after tax effect adjustments are directly recorded in shareholders' equity, and the cost of securities sold is calculated based on the moving-average method)

Stocks that do not have fair market values

Moving-average method

(ii) Inventories

(a) Finished goods, raw materials and work-in-process

These inventory items are mainly recorded at cost as determined by the periodic average method (values on the balance sheet are subject to the book value reduction method based on decreased profitability).

(b) Supplies

The value of supplies is mainly calculated using the last purchase price method (values on the balance sheet are subject to the book value reduction method based on decreased profitability).

(iii) Derivatives

Derivatives are stated using the mark-to-market method

(2) Depreciation and amortization of major depreciable assets

(i) Property, plant and equipment (excluding lease assets)

The straight-line method for depreciation is used.

Useful lives used in the computation of depreciations are listed below for the main assets.

Buildings and structures	3 to 60 years
Machinery, equipment and vehicles	4 to 20 years
Other (tools, furniture and fixtures)	3 to 15 years

(ii) Intangible fixed assets (excluding lease assets)

The straight-line method for depreciation is used.

Useful lives used in the computation of depreciations are listed below for the main assets.

Software	Period usable within the company (5 years)
Customer assets	11 to 20 years
Trademark assets	10 to 20 years
Technology assets	10 to 20 years

(iii) Lease assets

Lease assets related to non-transferrable finance lease transactions are depreciated using a useful life of the lease term by the straight-line method with zero residual value.

(3) Basis of material allowances

(i) Allowance for doubtful accounts

To prepare for possible losses on uncollectable receivables, for general receivables, an amount is provided according to the historical percentage of uncollectable. For specific receivables for which there is some concern regarding recoverability, an amount is recorded by investigating the recoverability for each individual amount.

(ii) Provision for bonuses

To prepare for the payment of employees' bonuses, an amount corresponding to the estimated amount of payments is recorded as the basis.

(iii) Provision for directors' bonuses

To prepare for the payment of directors' bonuses, an amount corresponding to the estimated amount of payments for the current consolidated fiscal year is recorded as the basis.

(4) Accounting treatment of retirement benefits

(i) Service period attribution method for projected amount of retirement benefits

In the calculation of retirement benefit liabilities, the projected amount of retirement benefits is attributed to the period until the end of the consolidated fiscal year by the salary calculation formula standard.

(ii) Treatment of actuarial gains and losses and prior service costs

Prior service costs are amortized by the straight-line method over a fixed period (10 years) that is shorter than the average remaining years of service of employees at the time that they are incurred.

Actuarial gains and losses are amortized by the straight-line method over a period (10 years) that is shorter than the average remaining years of service of employees in proportional amounts in the consolidated fiscal year following the year in which the gains or losses are realized.

(iii) Accounting treatment of actuarial gains and losses and prior service costs that are yet to be recognized

Actuarial gains and losses and prior service costs that are yet to be recognized are recorded as remeasurement of defined benefit plans of accumulated comprehensive income under net assets after adjusting for tax effects.

(5) Basis of material revenue and expenses

The Group's businesses are primarily engaged in the manufacture and sales of rice crackers, long-life preserved foods, allergen-free food products, and other products. In domestic sales, performance obligations are deemed to have been satisfied at the time of delivery of merchandise or finished goods, when they are inspected by customers, and the legal ownership, physical possession, and significant risks and economic value associated with ownership of the goods are transferred to the customers. Accordingly, the Company recognizes revenue at the time when such goods are delivered to the customers. However, with respect to certain sales transactions in Japan, the Company recognizes revenue at the time of shipment, if the period from the time of shipment to the time when control of the goods is transferred to the customers is a normal period. In export sales, the Company recognizes revenue at the time when significant risks and economic value associated with ownership of the goods are transferred to customers, based on the terms of contracts with the customers, and performance obligations are satisfied.

The transaction price is measured as the amount determined by deducting the price, which takes into account discounts, rebates, and returns, etc., from the consideration promised in the contract with the customer. The Company estimates variable consideration, including variable discounts, rebates, and returns based on reasonably available information including past results and forecasts.

Regarding transactions involving certain products in the Food Business in which the Group acts as an agent in providing the products to customers, the Company recognizes revenue at the net amount after deducting the amount to be paid to suppliers from the amount to be received from customers.

The promised consideration is generally collected within six months from the time performance obligations are satisfied, and the amount of consideration contains no significant financing component.

(6) Standard for conversion of main foreign currency-denominated assets and liabilities into Japanese yen

Foreign currency-denominated monetary receivables and payables are translated into Japanese yen at the spot exchange rate on the consolidated balance sheet date and treated as translation gains and losses. Assets and liabilities of foreign subsidiaries are translated into Japanese yen at the spot exchange rate on the balance sheet date, while revenue and expenses are translated at the average exchange rate during the reporting period, and translation gains and losses are recorded as foreign currency translation adjustments under net assets and included in non-controlling interests in the equity component.

(7) Principal accounting methods for hedge transactions

(i) Hedge accounting methods

The deferred hedge method is used. Forward exchange contracts which meet the criteria of the allocation method are accounted for by the allocation method.

(ii) Hedge methods and hedge targets

Hedge method	Forward exchange contracts
Hedge targets	Scheduled transactions denominated in foreign currencies

(iii) Hedge policy

The Company carries out hedge transactions to hedge against the risk of fluctuations in foreign currency, in conformity with its internal rules.

(iv) Methods for evaluating the effectiveness of hedges

The effectiveness of the hedge is judged by comparing the cumulative total of the market fluctuations or the cash flow fluctuations for the hedge target and that of the market fluctuations or the cash flow fluctuations for the hedge method.

(8) Amortization method and period for goodwill

Goodwill is amortized over a period of 14 to 20 years by the straight-line method.

(9) Scope of cash in consolidated cash flow statement

Cash on hand, deposits that can be withdrawn on demand and short-term investments that will mature in three months or less that can be easily converted into cash with little risk of a change in value.

(Changes in the Method of Presentation)

"Commitment fee" and "Depreciation of inactive fixed assets," which were included in "Other" under "Non-operating expenses" in the previous consolidated fiscal year, are presented separately for the current consolidated fiscal year, since each amount accounted for more than 10% of total non-operating expenses. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation.

As a result, ¥56 million that was presented in "Other" under "Non-operating expenses" in the consolidated income statement for the previous consolidated fiscal year was reclassified as ¥12 million in "Commitment fee," ¥0 million in "Depreciation of inactive fixed assets," and ¥43 million in "Other."

(Notes to the Consolidated Balance Sheet)

*1 Of notes, accounts receivable-trade and contract assets, the amounts of liabilities arising from contracts with customers and contract assets are as shown below.

(¥ million)

	Previous consolidated fiscal year (ended March 31, 2023)	Current consolidated fiscal year (ended March 31, 2024)
Notes receivable-trade	17	19
Accounts receivable-trade	13,619	15,069
Contract assets	17	25
Total	13,654	15,114

*2 The items regarding non-consolidated subsidiaries and affiliates are as shown below.

(¥ million)

	Previous consolidated fiscal year (ended March 31, 2023)	Current consolidated fiscal year (ended March 31, 2024)
Investment securities (stocks)	12,827	14,711

*3 Assets provided as collateral and collateralized loans

Assets provided as collateral are as shown below.

(¥ million)

	Previous consolidated fiscal year (ended March 31, 2023)	Current consolidated fiscal year (ended March 31, 2024)
Cash and deposits	70	—
Buildings and structures, net	412	1,608
Land	71	71
Other under Investments and other assets (Long-term deposits)	546	584
Total	1,100	2,264

Collateralized loans are as shown below.

(¥ million)

	Previous consolidated fiscal year (ended March 31, 2023)	Current consolidated fiscal year (ended March 31, 2024)
Short-term loans payable	101	31
Long-term loans payable	220	189
Total	321	220

*4 The Kameda Seika Group has entered into a commitment line agreement (syndicate type) with five banks so that funds for operating capital can be raised efficiently. The balance of unused loans under these arrangements as of the end of the consolidated fiscal year is shown below.

(¥ million)

	Previous consolidated fiscal year (ended March 31, 2023)	Current consolidated fiscal year (ended March 31, 2024)
Commitment amount	12,500	12,500
Loan balance	4,000	7,000
Difference	8,500	5,500

(Notes to the Consolidated Income Statement)

*1 Revenue from contracts with customers

Regarding net sales, revenue from contracts with customers and revenue from other sources are not separately presented. The amount of revenue from contracts with customers is stated in “Notes (Revenue Recognition) 1. Information on disaggregation of revenue from contracts with customers” in the consolidated financial statements.

*2 The amounts of the main components of selling, general and administrative expenses are as shown below.

(¥ million)

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)
Sales promotion expenses	760	829
Salaries and allowances	4,877	5,022
Provisions for bonuses	434	465
Provision for directors’ bonuses	63	94
Retirement benefit expenses	(127)	(80)
Storage and shipping expenses	6,158	5,222

*3 The total amount of research and development expenses included in selling, general and administrative expenses

(¥ million)

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)
1,091	1,124

*4 Subsidy income

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

The subsidy income represents the subsidy for the project to develop exporting facilities for the food industry, granted for expansion of the plant of the Company’s domestic consolidated subsidiary, Maisen Fine Foods Co., Ltd.

Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)

The subsidy income represents the subsidy for the project to support expansion of rice flour use, granted for expansion of the plant of the Company’s domestic consolidated subsidiary, TAINAI Co., Ltd.

*5 Loss on disposal of noncurrent assets are as shown below.

(¥ million)

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)
Loss on sale of noncurrent assets		
Machinery, equipment and vehicles	0	0
Other property, plant and equipment	0	0
Loss on retirement of noncurrent assets		
Buildings and structures	46	49
Machinery, equipment and vehicles	158	179
Other property, plant and equipment	3	5
Other intangible assets	183	2
Other investments and other assets	2	1
Total	394	237

*6 Impairment losses

The Kameda Seika Group recorded impairment losses for the following asset groups.

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

Use	Type	Location
Assets for business use	Buildings and structures Machinery, equipment and vehicles Lease assets Construction in progress Other property, plant and equipment	U.S.A.
Idle assets	Buildings and structures Machinery, equipment and vehicles Other property, plant and equipment, etc.	Niigata Kingdom of Thailand

With regard to assets for business use, we have placed the business of the manufacture and sale of rice crackers in the core group, and lease assets and idle assets in groups for individual property units. In addition, we have placed consolidated subsidiaries as a general rule in one unit for each company.

With regard to assets for business use in the U.S., our consolidated subsidiary Mary's Gone Crackers, Inc. has recorded an operating loss due to rapid changes in the business environment, such as soaring organic raw material prices and rising wages caused by inflation. Under these circumstances, as a result of the impairment test conducted in accordance with U.S. GAAP, their fair values were lower than their book values. Accordingly, their book values were reduced to their fair values, and the amount of that reduction was recorded as an impairment loss of ¥1,840 million under extraordinary losses. The breakdown is ¥131 million in buildings and structures, ¥842 million in machinery, equipment and vehicles, ¥535 million in lease assets under property, plant and equipment, ¥324 million in construction in progress, and ¥5 million in other property, plant and equipment.

The fair value was calculated by discounting future cash flows, and the discount rate used was 3.71%.

With regard to idle assets, their book values were reduced to their recoverable values, and the amount of that reduction was recorded as an impairment loss of ¥326 million under extraordinary losses. The breakdown is ¥1 million in buildings and structures, ¥322 million in machinery, equipment and vehicles, and ¥2 million in other property, plant and equipment.

The recoverable value of idle assets was calculated from the net realizable value, taking into consideration examples of transactions, etc.

Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)

Use	Type	Location
Assets for business use	Buildings and structures Machinery, equipment and vehicles Lease assets Construction in progress Other property, plant and equipment	U.S.A.
Idle assets	Buildings and structures Machinery, equipment and vehicles Other property, plant and equipment, etc.	Niigata, etc.

With regard to assets for business use, we have placed the business of the manufacture and sale of rice crackers in the core group, and lease assets and idle assets in groups for individual property units. In addition, we have placed consolidated subsidiaries as a general rule in one unit for each company.

With regard to assets for business use in the U.S., our consolidated subsidiary Mary's Gone Crackers, Inc. has recorded an operating loss due to changes in the business environment, such as soaring organic raw material prices and rising wages caused by inflation, as well as delays in efforts to improve profitability. Under these circumstances, as a result of the impairment test conducted in accordance with U.S. GAAP, their fair values were lower than their book values. Accordingly, their book values were reduced to their fair values, and the amount of that reduction was recorded as an impairment loss of ¥1,883 million under extraordinary losses. The breakdown is ¥116 million in buildings and structures, ¥1,162 million in machinery, equipment and vehicles, ¥492 million in lease assets under property, plant and equipment, ¥104 million in construction in progress, and ¥6 million in other property, plant and equipment.

The fair value was calculated by discounting future cash flows, and the discount rate used was 3.88%.

With regard to idle assets, their book values were reduced to their recoverable values, and the amount of that reduction was recorded as an impairment loss of ¥485 million under extraordinary losses. The breakdown is ¥31 million in buildings and structures, ¥450 million in machinery, equipment and vehicles, and ¥2 million in other property, plant and equipment.

The recoverable value of idle assets was calculated from the net realizable value, taking into consideration examples of transactions, etc.

(Notes to the Consolidated Comprehensive Income Statement)

*1 Reclassification adjustment amounts related to other comprehensive income and the amount of their tax effects

(¥ million)

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)
Valuation difference on available-for-sale securities:		
In current fiscal year	(72)	513
Tax effect	23	(156)
Valuation difference on available-for-sale securities	(49)	357
Deferred gains (losses) on hedges:		
In current fiscal year	(3)	(2)
Tax effect	0	0
Deferred gains (losses) on hedges	(2)	(1)
Foreign currency translation adjustment:		
In current fiscal year	1,044	(46)
Adjustment for retirement benefits:		
In current fiscal year	(1,153)	3,280
Reclassification adjustment amount	(222)	(73)
Before tax effect adjustment	(1,376)	3,207
Tax effect	420	(978)
Adjustment for retirement benefits	(955)	2,228
Share of other comprehensive income of associates accounted for using equity method:		
In current fiscal year	942	1,642
Other comprehensive income	979	4,179

(Notes to the Consolidated Statement of Changes in Shareholder Equity)

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

1. Type and total number of shares outstanding and the type and total number of treasury stock

	Number of shares at the beginning of the consolidated fiscal year (shares)	Increase in number of shares in consolidated fiscal year (shares)	Decrease in number of shares in consolidated fiscal year (shares)	Number of shares at the end of the consolidated fiscal year (shares)
Number of shares outstanding				
Common stock	22,318,650	–	–	22,318,650
Total	22,318,650	–	–	22,318,650
Treasury stock				
Common stock (Note)	1,234,971	10	–	1,234,981
Total	1,234,971	10	–	1,234,981

(Note) The increase of 10 shares in the number of shares of common stock under treasury stock is the increase that resulted from the purchase of fractional shares.

2. Dividends

(1) Amount of dividends paid

(Resolution)	Type of stock	Total amount of dividends (¥ million)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders June 14, 2022	Common stock	822	39	March 31, 2022	June 15, 2022
Board of Directors Meeting November 2, 2022	Common stock	316	15	September 30, 2022	December 2, 2022

(2) Dividends for which the record date is in the current consolidated fiscal year and the effective date of the dividend is in the next consolidated fiscal year

(Resolution)	Type of stock	Total amount of dividends (¥ million)	Source of dividends	Dividend per share (¥)	Record date	Effective date
Annual General Meeting of Shareholders June 14, 2023	Common stock	843	Retained earnings	40	March 31, 2023	June 15, 2023

Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)

1. Type and total number of shares outstanding and the type and total number of treasury stock

	Number of shares at the beginning of the consolidated fiscal year (shares)	Increase in number of shares in consolidated fiscal year (shares)	Decrease in number of shares in consolidated fiscal year (shares)	Number of shares at the end of the consolidated fiscal year (shares)
Number of shares outstanding				
Common stock	22,318,650	–	–	22,318,650
Total	22,318,650	–	–	22,318,650
Treasury stock				
Common stock (Note)	1,234,981	259	–	1,235,240
Total	1,234,981	259	–	1,235,240

(Note) The increase of 259 shares in the number of shares of common stock under treasury stock is the increase that resulted from the purchase of fractional shares.

2. Dividends

(1) Amount of dividends paid

(Resolution)	Type of stock	Total amount of dividends (¥ million)	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders June 14, 2023	Common stock	843	40	March 31, 2023	June 15, 2023
Board of Directors Meeting November 1, 2023	Common stock	316	15	September 30, 2023	December 4, 2023

(2) Dividends for which the record date is in the current consolidated fiscal year and the effective date of the dividend is in the next consolidated fiscal year

The following is to be approved.

(Resolution)	Type of stock	Total amount of dividends (¥ million)	Source of dividends	Dividend per share (yen)	Record date	Effective date
Annual General Meeting of Shareholders June 18, 2024	Common stock	864	Retained earnings	41	March 31, 2024	June 19, 2024

(Notes to the Consolidated Cash Flow Statement)

*1 Year-end balance of cash and cash equivalents and amounts of items stated in the consolidated balance sheet

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)
Cash and deposits	8,275 ¥million	9,217 ¥million
Fixed term deposits exceeding 3 months	(1,301)	(1,775)
Cash and cash equivalents	6,974	7,442

(Segment Information)

1. Overview of reportable segment

The Group's reportable segments are those components of the Group for which separate financial information is available, and which are evaluated regularly by the Board of Directors in order to determine the allocation of management resources and assess operating results.

The Group is divided into business segments based on the Company's Domestic Rice Cracker Business, Overseas Business, and Food Business, and the units of consolidated subsidiaries, and these business segments are primarily composed of the Domestic Rice Cracker Business, Overseas Business, and Food Business. Accordingly, these three segments are adopted as the Company's reportable segments.

The Domestic Rice Cracker Business is engaged in the manufacture and sale of rice crackers in Japan. The Overseas Business is engaged in the manufacture and sale of rice crackers overseas. The Food Business is engaged in the manufacture and sale of long-term preserved foods, 28-allergen-free rice flour bread and plant origin lactic acid bacteria.

2. Calculation method for the amount of net sales, income (loss), assets, liabilities, and other items by reportable segment

The accounting methods for the reportable segments are, in general, the same as those described in "Important notes on the basis of preparation of the financial statements."

The segment income for each reportable segment is an amount based on operating income.

Internal sales or transfers between segments are based on prevailing market prices.

3. Information regarding the amount of net sales, income (loss), assets, liabilities, and other items by reportable segment

Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)

(¥ million)

	Reportable segment				Other (Note) 1	Total	Adjustment (Note) 2	The amount statedin quarterly consolidated income statement (Note) 3
	Domestic Rice Cracker	Overseas	Food	Total				
Net sales								
Revenue from contracts with customers	67,703	13,751	7,065	88,520	6,471	94,992	—	94,992
Other income	—	—	—	—	—	—	—	—
Net sales to outside customers	67,703	13,751	7,065	88,520	6,471	94,992	—	94,992
Internal sales or transfers between segments	8	1,740	45	1,794	5,897	7,691	(7,691)	—
Total	67,712	15,491	7,111	90,315	12,369	102,684	(7,691)	94,992
Segment income (loss)	3,449	(589)	374	3,234	315	3,550	14	3,564
Other								
Depreciation and amortization	4,018	1,029	498	5,546	375	5,922	—	5,922
Depreciation of goodwill	—	91	77	168	—	168	—	168

(Note) 1. "Other" includes Freights transport etc.

2. ¥14 million of adjustment of segment income (loss) is ¥14 million of elimination of intersegment transactions.
3. Segment income (loss) is adjusted with operating income reported on quarterly consolidated income statement.
4. The amount of segment assets has been omitted since the Company has not allocated the assets to the reportable segment.

Current consolidated fiscal year (from April 1, 2023to March 31, 2024)

(¥ million)

	Reportable segment				Others (Note) 1	Total	Adjustments (Note) 2	The amount stated in quarterly consolidated income statement (Note) 3
	Domestic Rice Cracker	Overseas	Food	Total				
Net sales								
Revenue from contracts with customers	66,307	15,096	7,278	88,682	6,852	95,534	—	95,534
Other income	—	—	—	—	—	—	—	—
Net sales to outside customers	66,307	15,096	7,278	88,682	6,852	95,534	—	95,534
Internal sales or transfers between segments	8	1,113	7	1,129	5,501	6,631	△6,631	—
Total	66,315	16,209	7,286	89,811	12,354	102,166	△6,631	95,534
Segment income (loss)	4,330	△413	154	4,072	383	4,455	12	4,467
Other items								
Depreciation and amortization	4,055	982	586	5,624	384	6,008	—	6,008
Amortization of goodwill	—	96	77	173	—	173	—	173

(Note) 1. “Other” includes Freights transport etc.
2. ¥12 million of adjustment of segment income (loss) is ¥12 million of elimination of intersegment transactions.
3. Segment income (loss) is adjusted with operating income reported on quarterly consolidated income statement.
4. The amount of segment assets has been omitted since the Company has not allocated the assets to the reportable segment.

(Per Share Information)

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)
Net assets per share	¥ 3,076.11	¥ 3,317.24
Net income per share	¥ 89.78	¥ 107.06

(Notes) 1. Diluted net income per share is not listed because there are no dilutive shares.

2. The basis for calculating net assets per share is shown below.

	Previous consolidated fiscal year (ended March 31, 2023)	Current consolidated fiscal year (ended March 31, 2024)
Total net assets (¥ million)	67,996	73,718
Amounts deducted from total net assets (¥ million)	3,141	3,780
(of which non-controlling interests) (¥ million)	(3,141)	(3,780)
Net assets at end of fiscal year associated with shares of common stock (¥ million)	64,855	69,938
Number of common shares at the end of the fiscal year used in the calculation of net assets per share (thousand shares)	21,083	21,083

3. The basis for calculating net income per share is shown below.

	Previous consolidated fiscal year (from April 1, 2022 to March 31, 2023)	Current consolidated fiscal year (from April 1, 2023 to March 31, 2024)
Net income attributable to owners of the parent (¥ million)	1,892	2,257
Amount not attributable to common shareholders (¥ million)	–	–
Net income attributable to owners of the parent associated with shares of common stock (¥ million)	1,892	2,257
Average number of common shares during the fiscal year (thousand shares)	21,083	21,083

(Material Subsequent Events)

Not applicable.