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MEMBERSHIP

August 9, 2024

## Consolidated Financial Results for the Three Months Ended June 30, 2024 (Under Japanese GAAP)

Company name: FEED ONE CO., LTD.  
 Listing: Tokyo  
 Securities code: 2060  
 URL: <https://www.feed-one.co.jp/> (in Japanese)  
 Representative: REPRESENTATIVE DIRECTOR, HIDEHIRO SHOJI  
 PRESIDENT  
 GENERAL MANAGER,  
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 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: None

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended								
June 30, 2024	74,288	(6.9)	1,297	9.3	1,623	11.4	1,304	41.6
June 30, 2023	79,782	18.8	1,186	–	1,456	–	921	–

Note: Comprehensive income For the three months ended June 30, 2024: ¥1,805 million [(4.8)%]  
 For the three months ended June 30, 2023: ¥1,895 million [–%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2024	34.09	–
June 30, 2023	24.12	–

(Reference)

	EBITDA	
	Millions of yen	%
Three months ended		
June 30, 2024	2,570	12.0
June 30, 2023	2,295	–

Note: EBITDA= Ordinary profit + interest expenses - interest income + depreciation and amortization of goodwill

## (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
As of	Millions of yen	Millions of yen	%
June 30, 2024	130,379	52,172	39.5
March 31, 2024	131,038	50,856	38.4

Reference: Equity

As of June 30, 2024: ¥51,495 million

As of March 31, 2024: ¥50,280 million

## 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	12.50	–	14.50	27.00
Fiscal year ending March 31, 2025	–				
Fiscal year ending March 31, 2025 (Forecast)		13.50	–	13.50	27.00

Note: Revisions to the forecast of cash dividends most recently announced: None

## 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	307,000	(2.2)	6,100	(21.3)	6,300	(18.6)	4,500	(11.5)	117.60

Note: Revisions to the forecast of financial results most recently announced: None

**\* Notes**

- (1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 1 company (Dohoku Kyodo Shiryo Hanbai Co., Ltd.)

Note: For details, please refer to “2. Quarterly consolidated financial statements and significant notes thereto (3) Notes to quarterly consolidated financial statements (Change in scope of consolidation or application of the equity method)” on page 12 of the attached document.

- (2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: None

- (3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

- (4) Number of issued shares (common shares)

- (i) Total number of issued shares at the end of the period (including treasury shares)

As of June 30, 2024	38,477,128 shares
As of March 31, 2024	38,477,128 shares

- (ii) Number of treasury shares at the end of the period

As of June 30, 2024	213,005 shares
As of March 31, 2024	212,836 shares

- (iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2024	38,264,221 shares
Three months ended June 30, 2023	38,184,438 shares

Note: The number of treasury shares excluded from the calculation of the number of treasury shares at the end of the period and the average number of shares outstanding during the period includes shares of the Company (166,960 shares for the fiscal year ended March 31, 2024, and 166,960 shares for the three months ended June 30, 2024) held by Custody Bank of Japan, Ltd. (Trust Account) as the trust assets for the “trust for share-based remuneration for directors (and other officers).”

- \* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit corporation: Yes (voluntary)

- \* Proper use of earnings forecasts, and other special matters

Caution regarding forward-looking statements, etc.

The forward-looking statements contained in this report, including earnings forecasts, are based on information currently available to the Company and certain assumptions that management believes to be reasonable. Actual financial and other results may differ substantially due to various factors. Please see “1. Overview of operating results and others (3) Explanation of forecast of consolidated financial results and other forward-looking statements” on page 4 of the attached material to this quarterly financial results report for the suppositions that form the assumptions for the earnings forecasts and cautions concerning the use thereof.

How to acquire the Supplementary Materials for Financial Results

The Supplementary Materials for Financial Results are disclosed via TDnet on the same day, and are posted to the Company’s website as well.

**Attached Material**

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## 1. Overview of operating results and others

### (1) Overview of operating results for the quarter under review

During the first quarter of the current fiscal year (April 1, 2024 to June 30, 2024), while the Japanese economy has shown moderate recovery, with the stock market booming on the back of robust corporate earnings and an improved employment and income environment, the outlook remains uncertain due to high energy prices caused by global tensions, volatile financial and capital markets, rising domestic prices and other factors.

In the feed industry, the Chicago futures market for corn, which is a primary raw ingredient, remained below the level of the same period of the previous year due to factors such as an increase in production volume resulting from higher yields in the United States, the main production area.

With regard to livestock products, the market price of pork was higher than in the same period of the previous year due to poor performance caused by last year's extremely hot summer and a decrease in the number of animals shipped due to the outbreak of CSF (swine fever) at the end of May. The market price of egg remained below the level of the same period of the previous year, mainly due to the recovery in demand not progressing amid the recovery in supply as a result of the reopening of farms affected by the outbreak of avian influenza that began in various regions in October 2022.

In this environment, the Group is moving forward with initiatives to achieve the goals of its "Medium-Term Management Plan 2026 ~1st STAGE for NEXT 10 YEARS~," which begins from the fiscal year ending March 31, 2025. These initiatives include strengthening its sales structure, renovating and enhancing its production system and research facilities, taking on the challenge of next-generation aquaculture, and building a business model that integrates animal products and feedstuffs.

As a result, for the three months ended June 30, 2024, the Group's net sales were ¥74,288 million (down 6.9% year-on-year), operating profit was ¥1,297 million (up 9.3% year-on-year), ordinary profit was ¥1,623 million (up 11.4% year-on-year), and profit attributable to owners of parent was ¥1,304 million (up 41.6% year-on-year).

In addition, in order to ensure the execution of capital investment plans and to achieve management that is conscious of the cost of capital, EBITDA and ROIC have been introduced as new management indicators from the fiscal year ending March 31, 2025. EBITDA for the first quarter of the current fiscal year is as follows.

	Three months ended June 30, 2023 (Millions of yen)	Three months ended June 30, 2024 (Millions of yen)	Year-on-year change (%)
Ordinary profit	1,456	1,623	11.4
Interest expenses	48	37	(22.4)
Interest income	2	0	(75.3)
Depreciation and amortization of goodwill	792	910	14.9
EBITDA	2,295	2,570	12.0

Note: EBITDA= Ordinary profit + interest expenses - interest income + depreciation and amortization of goodwill

Operating results by segment are as follows.

The classification of reportable segments has been changed from the first quarter of the current fiscal year, and the following comparisons with the same quarter of the previous year are comparative analyses based on figures for the same quarter of the previous year that have been reclassified into the new segment classifications.

For details, please refer to "2. Quarterly consolidated financial statements and significant notes thereto (3) Notes to quarterly consolidated financial statements (Notes to segment information etc.)."

(i) Animal feed business

Segment sales were ¥58,592 million (down 7.4% year-on-year), segment income was ¥2,096 million (up 12.0% year-on-year), and segment EBITDA was ¥2,722 million (up 9.8% year-on-year).

Although revenues decreased because the average selling price of livestock feed was lower than in the same period of the previous year due to price revisions in the first quarter of the current fiscal year, profits increased due to the increase in sales volume and improvement in the earnings environment.

(ii) Aquatic feed business

Segment sales were ¥6,709 million (up 12.7% year-on-year), segment income was ¥205 million (up 16.0% year-on-year), and segment EBITDA was ¥330 million (up 9.5% year-on-year).

Both revenues and profits increased due to year-on-year increases in both average sales price and sales volume of fishery feed.

(iii) Food business

Segment sales were ¥8,982 million (down 14.9% year-on-year), segment income was ¥73 million (compared to a loss of ¥28 million in the same period of the previous year), and segment EBITDA was ¥113 million (up 731.3% year-on-year).

In the meat division, revenues increased while profits decreased as a result of higher procurement costs resulting from a sharp rise in pork market prices. On the other hand, the egg division posted lower revenue and higher profits due to lower purchase costs resulting from a sharp decline in egg market prices, as well as progress in revising sales price conditions.

(iv) Other businesses

Segment net sales were ¥3 million (up 26.1% year-on-year), segment income was ¥80 million (compared to ¥5 million income in the same period last year), and segment EBITDA was ¥81 million (compared to ¥6 million in the same period last year).

The category “Other” includes operating segments other than reportable segments, such as overseas and real estate leasing businesses. No sales are recorded for the overseas business since it is only an affiliate accounted for using the equity method.

**(2) Overview of financial position for the quarter under review**

(Assets)

The total assets as of June 30, 2024 amounted to ¥130,379 million (down ¥659 million from the end of the previous fiscal year). This was mainly due to a decrease in cash and deposits of ¥1,613 million, despite an increase in raw materials and supplies of ¥1,043 million.

(Liabilities)

The total liabilities as of June 30, 2024 amounted to ¥78,206 million (down ¥1,975 million from the end of the previous fiscal year). This was mainly due to a decrease in income taxes payable of ¥1,742 million.

(Net assets)

The total net assets as of June 30, 2024 amounted to ¥52,172 million (up ¥1,315 million from the end of the previous fiscal year). This was mainly due to an increase in retained earnings of ¥747 million as a result of recording of profit attributable to owners of parent.

**(3) Explanation of forecast of consolidated financial results and other forward-looking statements**

The forecast of financial results and dividends for the fiscal year ending March 31, 2025 is unchanged from the forecast announced on May 10, 2024.

**2. Quarterly consolidated financial statements and significant notes thereto****(1) Quarterly consolidated balance sheets**

(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	10,876	9,262
Notes and accounts receivable - trade	51,829	51,334
Electronically recorded monetary claims - operating	5,149	4,912
Merchandise and finished goods	2,856	2,759
Raw materials and supplies	14,041	15,084
Animals	408	414
Other	3,335	3,345
Allowance for doubtful accounts	(292)	(267)
<b>Total current assets</b>	<b>88,204</b>	<b>86,846</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	12,401	12,298
Machinery, equipment and vehicles, net	10,179	10,040
Land	6,265	6,384
Leased assets, net	687	670
Construction in progress	167	545
Other, net	480	466
<b>Total property, plant and equipment</b>	<b>30,181</b>	<b>30,405</b>
Intangible assets		
Other	1,542	1,694
<b>Total intangible assets</b>	<b>1,542</b>	<b>1,694</b>
Investments and other assets		
Investment securities	10,143	10,471
Long-term loans receivable	1	16
Distressed receivables	252	262
Deferred tax assets	199	207
Other	681	655
Allowance for doubtful accounts	(169)	(179)
<b>Total investments and other assets</b>	<b>11,109</b>	<b>11,433</b>
<b>Total non-current assets</b>	<b>42,834</b>	<b>43,533</b>
<b>Total assets</b>	<b>131,038</b>	<b>130,379</b>



(Millions of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	34,360	34,814
Short-term borrowings	10,580	9,716
Lease liabilities	133	131
Income taxes payable	2,262	520
Provision for bonuses	772	1,198
Asset retirement obligations	77	77
Other	6,933	6,924
Total current liabilities	55,121	53,383
Non-current liabilities		
Long-term borrowings	21,178	20,757
Lease liabilities	602	583
Deferred tax liabilities	685	830
Provision for share awards for directors (and other officers)	111	117
Retirement benefit liability	2,313	2,368
Asset retirement obligations	3	3
Liabilities from application of equity method	119	76
Other	46	85
Total non-current liabilities	25,060	24,822
Total liabilities	80,182	78,206
Net assets		
Shareholders' equity		
Share capital	10,000	10,000
Capital surplus	9,737	9,737
Retained earnings	28,075	28,822
Treasury shares	(173)	(173)
Total shareholders' equity	47,639	48,386
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,316	2,611
Deferred gains or losses on hedges	139	233
Foreign currency translation adjustment	213	290
Remeasurements of defined benefit plans	(28)	(26)
Total accumulated other comprehensive income	2,640	3,108
Non-controlling interests	576	677
Total net assets	50,856	52,172
Total liabilities and net assets	131,038	130,379

**(2) Quarterly consolidated statements of income and comprehensive income**  
**Quarterly consolidated statements of income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	79,782	74,288
Cost of sales	73,102	66,483
Gross profit	6,679	7,804
Selling, general and administrative expenses	5,493	6,507
Operating profit	1,186	1,297
Non-operating income		
Interest income	2	0
Dividend income	111	116
Share of profit of entities accounted for using equity method	118	143
Stockpile storage revenue	34	36
Other	62	77
Total non-operating income	328	373
Non-operating expenses		
Interest expenses	48	37
Other	10	10
Total non-operating expenses	58	47
Ordinary profit	1,456	1,623
Extraordinary income		
Gain on sale of non-current assets	3	3
Gain on bargain purchase	-	338
Total extraordinary income	3	341
Extraordinary losses		
Loss on sale of non-current assets	3	1
Loss on retirement of non-current assets	5	12
Loss on valuation of investment securities	2	-
Loss on closing of factory	143	-
Loss on step acquisitions	-	158
Head office relocation expenses	-	8
Total extraordinary losses	155	180
Profit before income taxes	1,304	1,783
Income taxes - current	414	483
Income taxes - deferred	(39)	(36)
Total income taxes	374	446
Profit	929	1,337
Profit attributable to non-controlling interests	8	32
Profit attributable to owners of parent	921	1,304

**Quarterly consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Profit	929	1,337
Other comprehensive income		
Valuation difference on available-for-sale securities	480	295
Deferred gains or losses on hedges	380	93
Remeasurements of defined benefit plans, net of tax	0	2
Share of other comprehensive income of entities accounted for using equity method	103	76
Total other comprehensive income	966	467
Comprehensive income	1,895	1,805
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,887	1,772
Comprehensive income attributable to non-controlling interests	8	32

**(3) Notes to quarterly consolidated financial statements**

**(Significant matters forming the basis for preparation of quarterly consolidated financial statements)**

Quarterly consolidated financial statements are prepared in accordance with Article 4, paragraph 1 of the standard for preparation of quarterly financial statements established by Tokyo Stock Exchange, Inc. and the accounting standards for quarterly financial statements generally accepted in Japan (provided, however, the Company applies the practice of omitting the descriptions provided for in Article 4, paragraph 2 of the aforementioned standard for preparation of quarterly financial statements).

**(Notes to segment information, etc.)**

Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

Disclosure of sales and profit (loss) for each reportable segment, and breakdown of revenue

(Unit: Millions of yen)

	Reportable segments				Other Note 1	Total	Adjustments Note 2	Amounts in quarterly consolidated statements of income Note 3
	Animal Feed Business	Aquatic Feed Business	Food Business	Total				
Net sales								
Revenue from contracts with customers	63,274	5,951	10,552	79,779	2	79,782	–	79,782
Net sales from external customers	63,274	5,951	10,552	79,779	2	79,782	–	79,782
Intersegment sales or transfers	1,436	14	7	1,457	0	1,458	(1,458)	–
Total	64,711	5,966	10,560	81,237	2	81,240	(1,458)	79,782
Segment profit (loss)	1,871	177	(28)	2,020	5	2,025	(569)	1,456

Notes 1 The category “Other” includes operating segments other than reportable segments, such as overseas and real estate leasing businesses.

2 The adjusted segment profit or loss of ¥(569) million includes corporate profit or loss of ¥(569) million that is not allocated to each reportable segment. Corporate profit and loss mainly consists of general and administrative expenses not attributable to the reportable segments.

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

Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)

1. Disclosure of sales and profit (loss) for each reportable segment, and breakdown of revenue

(Unit: Millions of yen)

	Reportable segments				Other Note 1	Total	Adjustments Note 2	Amounts in quarterly consolidated statements of income Note 3
	Animal Feed Business	Aquatic Feed Business	Food Business	Total				
Net sales								
Revenue from contracts with customers	58,592	6,709	8,982	74,284	3	74,288	–	74,288
Net sales from external customers	58,592	6,709	8,982	74,284	3	74,288	–	74,288
Intersegment sales or transfers	1,007	11	6	1,025	0	1,026	(1,026)	–
Total	59,600	6,720	8,989	75,310	3	75,314	(1,026)	74,288
Segment profit	2,096	205	73	2,375	80	2,456	(833)	1,623

Notes 1 The category “Other” includes operating segments other than reportable segments, such as overseas and real estate leasing businesses.

2 The adjusted segment profit of ¥(833) million includes corporate profit or loss of ¥(833) million that is not allocated to each reportable segment. Corporate profit and loss mainly consists of general and administrative expenses not attributable to the reportable segments.

3 Segment profit is adjusted with ordinary profit in the quarterly consolidated statements of income.

2. Notes relating to changes in reportable segments, etc.

(Changes in classification of reportable segments)

With the start of the “Medium-Term Management Plan 2026 ~1st STAGE for NEXT 10 YEARS~,” beginning from the fiscal year ending March 31, 2025, the Group has reformed its organizational structure and methods of performance evaluation. In order to properly reflect this change in reportable segments, the Group has subdivided its business segments into three segments: “Animal Feed Business,” “Aquatic Feed Business,” and “Food Business” instead of the previous two segments: “Feed Business” and “Food Business,” and consolidated its business segments under the new method of classification. In addition, due to the introduction of management indicators based on ordinary profit, segment income has been changed from “operating profit” to “ordinary profit.”

Segment information for the first quarter of the previous fiscal year has been prepared based on the new classification method and segment income is based on ordinary profit.

3. Information about impairment losses of non-current assets or goodwill, etc. for each reportable segment

(Major impairment losses on non-current assets)

Not applicable.

(Significant changes in amount of goodwill)

Not applicable.

(Significant gain on bargain purchase)

In the Animal Feed Business, a gain on negative goodwill of ¥338 million was recorded due to the inclusion of Dohoku Kyodo Shiryo Hanbai Co., Ltd., previously an equity method affiliate, which entered the scope of consolidation in the first quarter of the current financial year due to the acquisition of additional shares.

Gain on bargain purchase is an extraordinary income and is not included in the segment income for the aforementioned business.

**(Notes when there are significant changes in amounts of equity)**

Not applicable.

**(Notes on premise of going concern)**

Not applicable.

**(Notes to quarterly consolidated statements of cash flows)**

Quarterly consolidated statements of cash flows for the three months ended June 30, 2024 is not prepared.

Depreciation and amortization (including amortization related to intangible assets) for the first quarter of the current fiscal year are as follows.

	(Millions of yen)	
	Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)	Three months ended June 30, 2024 (from April 1, 2024 to June 30, 2024)
Depreciation	792	910

**(Notes - Additional information)**

(Board Benefit Trust)

The Company has introduced a share awards plan, the “Board Benefit Trust” (hereinafter referred to as the “BBT”), for the Company’s Directors (excluding Outside Directors and Members of the Audit & Supervisory Committee; the same applies hereinafter) and Executive Officers who have entered into delegation agreements with the Company (hereinafter collectively referred to as “Directors, etc.”).

(1) Overview of transactions

Under the BBT, a trust established by monetary contribution by the Company as compensation for Directors, etc. (hereinafter referred to as the “Trust”) will acquire shares of the Company, and shares of the Company, etc. in a number equivalent to the number of points granted to each Directors, etc. will be issued through the Trust in accordance with the “Share Issuance Regulations” established by the Company.

In addition, at the 10th Ordinary General Meeting of Shareholders held on June 21, 2024, a partial amendment to the BBT was approved and passed, and the extension of the trust period of the Trust was resolved at the Company’s Board of Directors meeting held on the same day. Under the extended BBT, the Company’s shares, etc. will be issued to Directors, etc. who hold office during the three fiscal years from the fiscal year ending March 31, 2025 to the fiscal year ending on March 31, 2027. The time at which the Company’s Directors, etc. receive delivery of the Company’s shares, etc. shall be while they are in office (subject, however, to restrictions on transfer until their retirement).

As for accounting treatment for the BBT, the gross amount method is applied in accordance with the “Practical Solution on Transactions of Delivering the Group’s Own Stock to Employees etc. through Trusts” (Practical Issues Task Force No. 30, March 26, 2015). To prepare for the issuance of the Company’s shares to the Company’s Directors, etc., in accordance with the “Share Issuance Regulations,” provision for share awards for directors (and other officers) have been recorded based on the estimated amount of liabilities for share awards in the first quarter ended June 30, 2024.

(2) The Company’s shares remaining in the Trust

The Company’s shares remaining in the Trust are recorded as treasury shares under net assets at their book value in the Trust (excluding the amount of incidental expenses). The book value of these shares at the end of the fiscal year ended March 31, 2024 was ¥140 million and the number of shares was 166,960, while the book value of these shares at the end of the first quarter ended June 30, 2024 was ¥140 million and the number of shares was 166,960.

(3) Book value of borrowings recorded under the application of the gross amount method  
Not applicable.

**(Change in scope of consolidation or application of the equity method)**

(1) Significant changes in scope of consolidation

As of the first quarter of the current fiscal year, Dohoku Kyodo Shiryo Hanbai Co., Ltd., which was previously an equity method affiliate, has been included in the scope of consolidation due to the acquisition of additional shares.

(2) Significant changes in scope of application of equity method

As of the first quarter of the current fiscal year, Dohoku Kyodo Shiryo Hanbai Co., Ltd., which was previously an equity method affiliate, has been excluded from the scope of application of the equity method due to its inclusion in the scope of consolidation.