

July 30, 2021

**Consolidated Financial Results**  
**for the Three Months Ended June 30, 2021**  
**<under J-GAAP>**

Company name: **Toyo Suisan Kaisha, Ltd.**  
Listing: First Section of the Tokyo Stock Exchange  
Securities code: 2875  
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Scheduled date of filing of quarterly securities report: August 13, 2021  
Scheduled date of start of dividend payment: –  
Preparation of quarterly results presentation materials: Yes  
Holding of quarterly results briefing meeting: None

(Amounts less than one million yen have been omitted.)

**1. Consolidated Operating Results for the First Three Months of FY2022**  
**(from April 1, 2021 to June 30, 2021)**

**(1) Consolidated Operating Results** (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								
Jun. 30, 2021	83,640	(2.3)	8,399	(19.1)	8,996	(18.7)	6,440	(23.3)
Jun. 30, 2020	85,638	–	10,379	78.2	11,060	64.4	8,400	76.4

Note: Comprehensive income Three months ended June 30, 2021: 5,795 million yen [(27.2)%]  
Three months ended June 30, 2020: 7,954 million yen [906.8%]

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended				
Jun. 30, 2021	63.06		–	
Jun. 30, 2020	82.26		–	

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., from the beginning of the first quarter of the fiscal year ending March 31, 2022. In addition, in accordance with principle-based treatment, the new accounting policy has been retrospectively applied to all prior periods. Accordingly, the year-on-year change for net sales for the three months ended June 30, 2020 is not shown due to the retrospective adjustment in accordance with the change in the accounting policy.

**(2) Consolidated Financial Position**

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Jun. 30, 2021	424,304	343,930	78.3
As of Mar. 31, 2021	428,651	343,319	77.3

Reference: Equity

As of June 30, 2021: 332,025 million yen  
As of March 31, 2021: 331,459 million yen

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., from the beginning of the first quarter of the fiscal year ending March 31, 2022. In addition, in accordance with principle-based treatment, the new accounting policy has been retrospectively applied to all prior periods. Accordingly, the consolidated financial position for the fiscal year ended March 31, 2021 was retrospectively adjusted.

## 2. Dividends

	Full Year Dividends				
	1 <sup>st</sup> quarter-end	2 <sup>nd</sup> quarter-end	3 <sup>rd</sup> quarter-end	Year-end	For the year
	Yen	Yen	Yen	Yen	Yen
FY2021	–	40.00	–	50.00	90.00
FY2022	–				
FY2022 (Forecast)		40.00	–	50.00	90.00

Note: Revisions to the dividends forecasts most recently announced: None

## 3. Consolidated Results Forecasts for FY2022 (from April 1, 2021 to March 31, 2022)

(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
Half year	171,500	2.8	15,000	(17.3)	16,000	(17.0)	11,500	(21.8)	112.60
Full year	353,500	3.7	33,500	(8.1)	35,000	(9.6)	26,000	(10.6)	254.58

Note: Revisions to the results forecasts most recently announced: None

### \* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting procedures for preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - a. Changes in accounting policies due to amendments to accounting standards and other regulations: Yes
  - b. Changes in accounting policies due to other reasons: None
  - c. Changes in accounting estimates: None
  - d. Restatement: None
- (4) Number of shares issued (common stock)
  - a. Number of shares issued at end of period (including treasury shares)

As of June 30, 2021	110,881,044 shares
As of March 31, 2021	110,881,044 shares

- b. Number of treasury shares at end of period

As of June 30, 2021	8,753,179 shares
As of March 31, 2021	8,753,164 shares

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

Three months ended June 30, 2021	102,127,870 shares
Three months ended June 30, 2020	102,128,323 shares

\* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

\* Explanation related to the appropriate use of the results forecasts and other items warranting special mention

(Caution regarding forward-looking statements)

Forward-looking statements in this document, including the results forecasts, etc., are based on the information available as of the date of the release of this document and the preconditions that the Company deemed to be reasonable; they are not meant to be a commitment by the Company, and a variety of factors in the future may cause actual results to differ materially from these forecasts. Please refer to Section: “(3) Explanation of forward-looking information, including consolidated results forecasts” of “1. Qualitative Information on Quarterly Consolidated Financial Results for the Three Months Ended June 30, 2021” on page 3 of the attachments for the preconditions for the results forecasts and items to exercise caution in the use of these results forecasts.

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## 1. Qualitative Information on Quarterly Consolidated Financial Results for the Three Months Ended June 30, 2021

### (1) Explanation of the consolidated operating results

During the three months ended June 30, 2021, the conditions in the Japanese economy were extremely challenging due to the impact of the novel coronavirus disease (COVID-19). Looking ahead, although a recovery is expected amid a gradual pickup in the level of socioeconomic activities as measures to prevent the spread of infections are implemented and vaccinations increase, it is necessary to closely monitor infection trends in Japan and other countries and the impact of fluctuations in financial and capital markets, etc.

Under these circumstances, the Toyo Suisan Group (hereafter, the “Group”) has remained committed to its mission “to contribute to society through foods” and “to provide safe and secure foods and services to customers” under the corporate slogan of “Smiles for All.” The Group continued to implement further cost reductions and promoted aggressive sales activities in its efforts to face an increasingly competitive sales environment.

As a result, net sales were ¥83,640 million (down 2.3% year on year), operating profit was ¥8,399 million (down 19.1% year on year), ordinary profit was ¥8,996 million (down 18.7% year on year), and profit attributable to owners of parent was ¥6,440 million (down 23.3% year on year) for the period under review.

The foreign exchange rate as of the end of the period was ¥110.61 to the U.S. dollar (¥107.71 to the U.S. dollar as of the end of the corresponding period of the previous fiscal year).

The operating results by segment are as follows.

In the Seafood Segment, due to the impact of requests for the public to stay at home and other measures to prevent the spread of COVID-19, although the sales for prepared food departments of some supermarkets and food delivery businesses increased, sales decreased due to lower sales volume for convenience stores and other factors. As a result, segment sales were ¥6,238 million (down 6.5% year on year) and segment profit was ¥132 million (down 37.9% year on year) mainly due to the surge in the price of tuna as a raw material, despite an increase in profit from improvement in the cost of sales ratio of fish eggs.

In the Overseas Instant Noodles Segment, although sales were favorable for the *Yakisoba* series and Bowl series in the U.S. amid the continuing high demand compared to before the COVID-19 pandemic, there was a pullback following the rapid increase in demand in the previous fiscal year and sales decreased for our signature products, the bag-type noodle product Ramen series and the cup-type noodle product Instant Lunch series. In Mexico, amid stable exchange rates for peso, sales increased due to favorable sales of both cup-type noodles, our signature products, and bag-type noodles. As a result, segment sales were ¥24,159 million (up 2.0% year on year). Segment profit was ¥2,912 million (down 36.7% year on year) mainly due to an increase in raw material costs resulting from higher prices of the main raw materials and an increase in distribution costs resulting from a higher unit price of freight, despite factors contributing to higher profit such as the curbing of sales promotion costs.

In the Domestic Instant Noodles Segment, despite the favorable sales of the *MARUCHAN QTTA* series for cup-type noodles amid the continuing high demand compared to before the COVID-19 pandemic, sales struggled for the Japanese-style series including *Akai Kitsune Udon* and *Midori no Tanuki Ten Soba* and cup-type noodles saw decreased sales overall. Sales in bag-type noodles decreased despite efforts to expand sales mainly of the *Maruchan Seimen* series. As a result, segment sales were ¥21,135 million (down 6.3% year on year) and segment profit was ¥2,665 million (down 23.8% year on year) due to increases mainly in sales promotion costs, despite factors such as a decrease in personnel expenses.

In the Frozen and Refrigerated Foods Segment, due to the impact of requests for the public to stay at home and other measures to prevent the spread of COVID-19, sales of products for restaurants, etc. continued on a downward trend. For household products, sales in fresh noodles decreased despite efforts to expand sales mainly of the *Maruchan Yakisoba (Three-Meal Package)* series, which is one of our signature products. As a result, segment sales were ¥13,260 million (down 7.6% year on year) and segment profit was ¥1,843 million (down 8.3% year on year) mainly due to a decrease in sales.

In the Processed Foods Segment, although sales were solid for packaged cooked rice, mainly for the cooked white rice series including *Attaka Gohan* amid the continuing high demand compared to before the COVID-19 pandemic, sales decreased. Sales were favorable for freeze-dried products including the *Sozai no Chikara* series, a freeze-dried soup product with five packs in one bag. As a result, segment sales were ¥4,421 million (up 0.6% year on year), and the segment reported a segment loss of ¥67 million (compared with a segment loss of ¥182 million in the corresponding period of the previous fiscal year), an improvement of ¥114 million, mainly due to an increase in sales and a decrease in personnel expenses.

In the Cold-Storage Segment, although cargo movement of stored products continued to be unstable due to the impact of COVID-19, the volume of frozen foods and agricultural products received at and shipped from warehouses has increased due to the so-called stay-at-home demand as the public stays at home, and handling and other work related to home deliveries were steady. As a result, segment sales were ¥5,490 million (up 1.9% year on year) and segment profit was ¥694 million (up 154.2% year on year) mainly due to a decrease in motive utility costs resulting from energy-saving measures.

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥8,934 million (up 4.1% year on year) while segment profit was ¥384 million (up 84.7% year on year).

## (2) Explanation of the consolidated financial position

At the end of the first quarter of the fiscal year ending March 31, 2022, total assets decreased by ¥4,347 million from the previous fiscal year-end to ¥424,304 million, and net assets increased by ¥610 million to ¥343,930 million. The main factors contributing to these results are as follows:

The main contributing factors for assets were a decrease in cash and deposits, despite an increase in securities. The main contributing factors for liabilities were decreases in accrued expenses and income taxes payable. The main contributing factor for net assets was an increase in retained earnings.

As a result of these factors, the equity ratio was 78.3%.

## (3) Explanation of forward-looking information, including consolidated results forecasts

The Company has not changed its consolidated results forecasts for the first six months and the full term of the fiscal year ending March 31, 2022, as announced on May 14, 2021, because it is unclear when the COVID-19 pandemic will be brought under control and it is difficult to rationally calculate the impact on the consolidated results forecasts at this time. If any revisions are necessary in the future, the relevant information will be duly disclosed.

## 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	As of end FY2021 (March 31, 2021)	As of end 1Q FY2022 (June 30, 2021)
<b>Assets</b>		
Current assets		
Cash and deposits	117,544	109,230
Notes and accounts receivable - trade	51,567	–
Notes and accounts receivable - trade, and contract assets	–	50,134
Securities	42,000	48,000
Merchandise and finished goods	14,467	15,269
Work in process	433	491
Raw materials and supplies	9,440	10,160
Other	3,124	3,087
Allowance for doubtful accounts	(599)	(616)
Total current assets	237,978	235,757
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	74,710	76,024
Machinery, equipment and vehicles, net	36,779	39,758
Land	34,661	34,658
Leased assets, net	2,172	2,072
Construction in progress	8,310	3,411
Other, net	1,303	1,256
Total property, plant and equipment	157,938	157,181
Intangible assets		
Other	1,267	1,329
Total intangible assets	1,267	1,329
Investments and other assets		
Investment securities	29,169	27,852
Deferred tax assets	1,358	1,173
Retirement benefit asset	37	35
Other	900	974
Total investments and other assets	31,465	30,036
Total non-current assets	190,672	188,546
Total assets	428,651	424,304

(Millions of yen)

	As of end FY2021 (March 31, 2021)	As of end 1Q FY2022 (June 30, 2021)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	24,825	26,026
Short-term borrowings	350	362
Lease obligations	296	287
Accrued expenses	22,988	18,620
Income taxes payable	4,306	1,834
Provision for bonuses for directors (and other officers)	231	12
Provision for removal cost of property, plant and equipment	24	–
Asset retirement obligations	10	–
Other	4,817	5,327
Total current liabilities	57,850	52,472
Non-current liabilities		
Lease obligations	3,519	3,458
Deferred tax liabilities	1,983	2,470
Provision for retirement benefits for directors (and other officers)	320	319
Retirement benefit liability	20,221	20,233
Provision for loss on business of subsidiaries and associates	35	–
Asset retirement obligations	213	213
Other	1,188	1,206
Total non-current liabilities	27,481	27,901
Total liabilities	85,331	80,373
<b>Net assets</b>		
Shareholders' equity		
Share capital	18,969	18,969
Capital surplus	22,942	22,942
Retained earnings	289,000	290,334
Treasury shares	(8,233)	(8,233)
Total shareholders' equity	322,678	324,012
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,006	8,208
Deferred gains or losses on hedges	16	11
Foreign currency translation adjustment	1,743	1,690
Remeasurements of defined benefit plans	(1,985)	(1,897)
Total accumulated other comprehensive income	8,780	8,012
Non-controlling interests	11,860	11,904
Total net assets	343,319	343,930
Total liabilities and net assets	428,651	424,304

(2) Quarterly consolidated statements of income and comprehensive income  
 Quarterly consolidated statements of income (Cumulative)

(Millions of yen)

	1Q FY2021 (from April 1, 2020 to June 30, 2020)	1Q FY2022 (from April 1, 2021 to June 30, 2021)
Net sales	85,638	83,640
Cost of sales	61,834	61,951
Gross profit	23,803	21,688
Selling, general and administrative expenses	13,424	13,288
Operating profit	10,379	8,399
Non-operating income		
Interest income	364	129
Dividend income	258	251
Share of profit of entities accounted for using equity method	–	43
Miscellaneous income	261	284
Total non-operating income	884	709
Non-operating expenses		
Interest expenses	60	59
Share of loss of entities accounted for using equity method	108	–
Miscellaneous losses	34	54
Total non-operating expenses	204	113
Ordinary profit	11,060	8,996
Extraordinary income		
Gain on sale of non-current assets	0	0
Subsidy income	836	138
Other	1	24
Total extraordinary income	838	163
Extraordinary losses		
Loss on sale and retirement of non-current assets	69	26
Other	2	31
Total extraordinary losses	71	58
Profit before income taxes	11,826	9,101
Income taxes - current	2,632	1,505
Income taxes - deferred	649	992
Total income taxes	3,282	2,497
Profit	8,543	6,603
Profit attributable to non-controlling interests	143	163
Profit attributable to owners of parent	8,400	6,440



Quarterly consolidated statements of comprehensive income (Cumulative)

(Millions of yen)

	1Q FY2021 (from April 1, 2020 to June 30, 2020)	1Q FY2022 (from April 1, 2021 to June 30, 2021)
Profit	8,543	6,603
Other comprehensive income		
Valuation difference on available-for-sale securities	366	(827)
Deferred gains or losses on hedges	(7)	(5)
Foreign currency translation adjustment	(1,103)	(53)
Remeasurements of defined benefit plans, net of tax	110	92
Share of other comprehensive income of entities accounted for using equity method	44	(14)
Total other comprehensive income	(589)	(808)
Comprehensive income	7,954	5,795
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	7,702	5,672
Comprehensive income attributable to non-controlling interests	251	122

(3) Notes to quarterly consolidated financial statements

(Notes on going concern assumptions)

Not applicable

(Notes in the event of substantial changes in shareholders' equity)

Not applicable

(Changes in accounting policies)

(Application of Accounting Standard for Fair Value Measurement, etc.)

Application of the new accounting policy set forth in Accounting Standard for Fair Value Measurement, etc. is in line with the transitional measures provided for in paragraph 19 of the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019), etc. and paragraph 44-2 of the "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10, July 4, 2019). The Company has applied the said standards proactively as of the beginning of the first quarter of the fiscal year ending March 31, 2022. There are no impacts on the quarterly consolidated financial statements.

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

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc., from the beginning of the first quarter of the fiscal year ending March 31, 2022, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. The changes due to this application are as follows.

1. A portion of the sales promotion expenses, etc. that had previously been recorded as selling, general and administrative expenses is deducted from net sales.
2. For buy-sell transactions, raw materials, etc. supplied for value were previously derecognized. However, because the Company has an obligation to repurchase the supplied raw materials, etc. in the transactions, the supplied raw materials, etc. will not be derecognized. In addition, revenue related to the transfer of the supplied materials in the transactions is not recognized.
3. For some transactions, the total amount of consideration received from customers was recognized as revenue previously. However, for transactions in which the role of the Group is to serve as an agent or trustee in providing good or services to customers, revenue is recognized as the net amount calculated by deducting the amount paid to suppliers from the amount of consideration received from customers.

The change in the accounting policy has been applied retrospectively, in principle. Therefore, the new accounting policy was reflected in the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year; provided, however, that in the retrospective application, the methods set forth in paragraph 85 of the Accounting Standard for Revenue Recognition were applied.

- (1) Comparative information is not retrospectively restated for contracts where nearly all the revenue amounts have been recognized prior to the beginning of the previous fiscal year subject to the previous treatment
- (2) Comparative information is retrospectively restated for the amount of variable consideration included in contracts where nearly all the revenue amounts have been recognized prior to the beginning of the current fiscal year subject to the previous treatment, using the amount when the uncertainty associated with the variable consideration is subsequently resolved

For the previous fiscal year, as a result of this change, and compared with the figures before the retrospective application, merchandise and finished goods increased by ¥99 million, raw materials and supplies increased by ¥2,480 million and other under current liabilities increased by ¥2,579 million. In addition, for the first three months of the previous fiscal year, net sales decreased by ¥18,666 million, cost of sales decreased by ¥1,177 million and selling, general and administrative expenses decreased by ¥17,489 million, but operating profit, ordinary profit and profit before income taxes did not change.

Due to the application of the Accounting Standard for Revenue Recognition, etc., "Notes and accounts receivable - trade" under current assets of the consolidated balance sheet as of the end of the previous fiscal year has been included in "Notes and accounts receivable - trade, and contract assets" under current assets from the quarterly consolidated balance sheet as of the end of the first quarter of the fiscal year ending March 31, 2022. In accordance with the transitional treatment provided for in paragraph 89-2 of

the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation. Furthermore, the information on disaggregation of revenue from contracts with customers during the first three months of the previous fiscal year has not been disclosed as allowed by the transitional treatment provided for in paragraph 28-15 of the Accounting Standard for “Quarterly Financial Reporting” (ASBJ Statement No. 12, March 31, 2020).

## (Segment information)

## I. Three months ended June 30, 2020 (from April 1, 2020 to June 30, 2020)

## 1. Information relating to net sales, profit and loss by each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on quarterly consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Net sales to outside customers	6,672	23,682	22,565	14,348	4,396	5,389	77,053	8,584	85,638	–	85,638
Intersegment sales or transfers	249	–	–	1	–	271	522	5	527	(527)	–
Total	6,921	23,682	22,565	14,349	4,396	5,661	77,575	8,589	86,165	(527)	85,638
Segment profit (loss)	213	4,599	3,495	2,009	(182)	273	10,408	208	10,617	(237)	10,379

Notes: 1. The Other Business Segment is one which is not among the reportable segments and refers to a business which is mainly involved in the packed lunch/deli food business.

2. The negative ¥237 million in segment profit or loss adjustments includes companywide expenses of negative ¥309 million which have not been allocated to each reportable segment, a negative ¥56 million adjustment to inventories, and other adjustments of ¥128 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for the offset elimination of knowhow fees from overseas subsidiaries.

3. Segment profit or loss is adjusted at the operating profit level on the quarterly consolidated financial statements.

2. Information relating to impairment loss on non-current assets or goodwill for each reportable segment  
Not applicable

II. Three months ended June 30, 2021 (from April 1, 2021 to June 30, 2021)

1. Information relating to net sales, profit and loss, and information on disaggregation of revenue by each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on quarterly consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Japan	6,059	–	21,135	13,260	4,421	5,490	50,366	8,862	59,229	–	59,229
The Americas	–	24,159	–	–	–	–	24,159	–	24,159	–	24,159
Other regions	179	–	–	–	–	–	179	71	250	–	250
Revenue from contracts with customers	6,238	24,159	21,135	13,260	4,421	5,490	74,705	8,934	83,640	–	83,640
Net sales to outside customers	6,238	24,159	21,135	13,260	4,421	5,490	74,705	8,934	83,640	–	83,640
Intersegment sales or transfers	244	–	19	2	–	259	526	8	534	(534)	–
Total	6,483	24,159	21,155	13,262	4,421	5,749	75,231	8,942	84,174	(534)	83,640
Segment profit (loss)	132	2,912	2,665	1,843	(67)	694	8,180	384	8,564	(165)	8,399

- Notes:
1. The Other Business Segment is one which is not among the reportable segments and refers to a business which is mainly involved in the packed lunch/deli food business.
  2. The negative ¥165 million in segment profit or loss adjustments includes companywide expenses of negative ¥286 million which have not been allocated to each reportable segment, a negative ¥16 million adjustment to inventories, and other adjustments of ¥137 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for the offset elimination of knowhow fees from overseas subsidiaries.
  3. Segment profit or loss is adjusted at the operating profit level on the quarterly consolidated financial statements.

2. Information relating to impairment loss on non-current assets or goodwill for each reportable segment  
Not applicable

3. Information relating to changes in reportable segments

As described in “Changes in accounting policies,” the Company has applied the Accounting Standard for Revenue Recognition, etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of measuring profit or loss of business segments.

Please note that the segment information for the first three months of the previous fiscal year were prepared based on the new method of measuring segment profit or loss.