

Consolidated Financial Results for the Six Months Ended September 30, 2022 <under J-GAAP>

Company name: **Toyo Suisan Kaisha, Ltd.**
 Listing: Prime Market of the Tokyo Stock Exchange
 Securities code: 2875
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Scheduled date of filing of quarterly securities report: November 11, 2022
 Scheduled date of start of dividend payment: December 5, 2022
 Preparation of quarterly results presentation materials: Yes
 Holding of quarterly results briefing meeting: Yes (for institutional investors and analysts)

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

1. Consolidated Operating Results for the First Six Months of FY2023 (from April 1, 2022 to September 30, 2022)

(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	%
Six months ended Sep. 30, 2022	212,940	24.9	18,978	28.3	20,378	29.7	15,270	39.1
Sep. 30, 2021	170,498	2.2	14,796	(18.4)	15,717	(18.4)	10,975	(25.4)

Note: Comprehensive income Six months ended September 30, 2022: 38,359 million yen [200.0%]
 Six months ended September 30, 2021: 12,788 million yen [(2.1)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
Sep. 30, 2022	149.53	-
Sep. 30, 2021	107.47	-

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2022	490,001	400,317	79.2
As of Mar. 31, 2022	454,670	367,145	78.1

Reference: Equity
 As of September 30, 2022: 387,972 million yen
 As of March 31, 2022: 354,882 million yen

2. Dividends

	Full Year Dividends				
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	For the year
	Yen	Yen	Yen	Yen	Yen
FY2022	-	40.00	-	50.00	90.00
FY2023	-	40.00	-	-	-
FY2023 (Forecast)	-	-	-	50.00	90.00

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

3. Consolidated Results Forecasts for FY2023 (from April 1, 2022 to March 31, 2023)

(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	443,000	22.5	41,000	37.9	44,000	38.2	31,000	38.3	303.54

Note: Revisions to the results forecasts most recently announced: Yes

* 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 September 30, 2022	110,881,044 shares
As of March 31, 2022	110,881,044 shares

- b. Number of treasury shares at end of period

As of September 30, 2022	8,753,559 shares
As of March 31, 2022	8,753,303 shares

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

Six months ended September 30, 2022	102,127,628 shares
Six months ended September 30, 2021	102,127,858 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 Six Months Ended September 30, 2022” 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 Six Months Ended September 30, 2022

(1) Explanation of the consolidated operating results

During the six months ended September 30, 2022, the conditions in the Japanese economy remained challenging due to the impact of the novel coronavirus disease (COVID-19). Looking ahead, although the economy is expected to pick up due to the effect of policies as it transitions towards a new stage of the age of living with COVID-19, it is necessary to closely monitor the impact of rising prices, limitations on supply, 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 ¥212,940 million (up 24.9% year on year), operating profit was ¥18,978 million (up 28.3% year on year), ordinary profit was ¥20,378 million (up 29.7% year on year), and profit attributable to owners of parent was ¥15,270 million (up 39.1% year on year) for the period under review.

The foreign exchange rate used for the period was ¥144.81 to the U.S. dollar (¥111.95 to the U.S. dollar for the corresponding period of the previous fiscal year).

The operating results by segment are as follows.

In the Seafood Segment, as economic activities are on a recovery trend from the impact of the spread of COVID-19, the volume of sales of products for convenience stores increased. Sales in the foreshore operations in each region and sales of silver salmon products were also favorable. As a result, segment sales were ¥14,300 million (up 17.9% year on year), and the segment reported a segment profit of ¥246 million (up 143.9% year on year) mainly due to the impact of an increase in sales, despite a rise in procurement costs.

In the Overseas Instant Noodles Segment, although we revised our prices due to rising manufacturing costs, etc., sales increased mainly due to the continuing high demand for instant noodles resulting from more people cutting down on their spending as a consequence of the inflation rate remaining at a high level, and due to the fact that sales in the U.S. increased for the Ramen series, one of our signature products in bag-type noodles, while sales were also favorable for cup-type noodles such as the Yakisoba series and Bowl series, in addition to Instant Lunch series, which is also one of our signature products. Sales increased due to favorable sales of both cup-type noodles, our signature products, and bag-type noodles in Mexico as well. As a result, segment sales were ¥88,526 million (up 76.8% year on year), and the segment reported a segment profit of ¥10,954 million (up 132.4% year on year) mainly due to an increase in sales volume and an increase in sales from the effect of the price revision despite rising manufacturing costs mainly resulting from an increase in raw material costs caused by surging prices of the main raw materials and an increase in personnel expenses.

In the Domestic Instant Noodles Segment, despite struggling during the summer due to a heatwave hitting the country right after the price revision in June, sales turned into a recovery trend from August onwards. Under such circumstances, in cup-type noodles, despite favorable sales of the *Menzukuri* series refreshed in September to celebrate 30 years since their launch, overall cup-type noodle sales declined. Sales increased for bag-type noodles as our new *Maruchan ZUBAAN!* series launched in April continued to have favorable sales. As a result, segment sales were ¥43,211 million (up 0.5% year on year) and segment profit was ¥2,669 million (down 44.6% year on year) mainly due to increases in advertising expenses and motive utility costs.

In the Frozen and Refrigerated Foods Segment, amid rising manufacturing costs, to steadily supply safe, secure, high-quality products, we revised our prices for fresh noodles and for frozen noodles, etc. in April. Under such circumstances, in fresh noodles, we made efforts to expand sales centered on our mainstay *Maruchan Yakisoba (Three-Meal Package)* series, our *Maruchan Cold Fresh Ramen Noodle (Three-Meal Package)* series, and our *Maruchan Kita no Ajiwai Zaru Ramen* series. As a result of the recovery of the frozen noodles market, sales of commercial products for restaurants and workplace cafeterias increased. As a result, segment sales were ¥27,190 million (up 1.5% year on year) and the segment reported a segment profit of ¥3,193 million (down 10.4% year on year) due to the impact of increases mainly in raw material costs and motive utility costs.

In the Processed Foods Segment, sales increased for freeze-dried products as demand continued to be high from last year, and sales were favorable, mainly for the *Sozai no Chikara* series, which is one of our signature products. Sales increased for packaged cooked rice as well amid the continuing high demand as sales were favorable for aseptically packaged cooked rice and retort packaged cooked rice. As a result, segment sales were ¥9,573 million (up 3.9% year on year), and the segment reported a segment profit of ¥354 million (compared with a segment loss

of ¥68 million in the corresponding period of the previous fiscal year) mainly due to the impact of an increase in sales and a decrease in personnel expenses, despite an increase in motive utility costs.

In the Cold-Storage Segment, as a result of economic activities progressively normalizing from the confusion caused by the impact of the spread of COVID-19, demand for storage increased mainly for commercial products. As delays in global logistics, etc. gradually resolved as well, handling of work related to customs was strong. As a result, segment sales were ¥11,632 million (up 3.4% year on year), and the segment reported a segment profit of ¥1,204 million (down 5.8% year on year) as we could not offset the increase in costs with our initiatives of price revisions for cold warehouse fees amid the increase in motive utility costs, etc. as a result of the impact of the significant rise in oil price, despite an increase in profit from the increase in segment sales.

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥18,505 million (up 2.5% year on year) while segment profit was ¥806 million (up 8.5% year on year).

(2) Explanation of the consolidated financial position

At the end of the second quarter of the fiscal year ending March 31, 2023, total assets increased by ¥35,330 million from the previous fiscal year-end to ¥490,001 million, and net assets increased by ¥33,172 million to ¥400,317 million. The main factors contributing to these results are as follows:

The main contributing factors for assets were increases in cash and deposits, and machinery, equipment and vehicles, despite a decrease in securities. The main contributing factor for liabilities was an increase in notes and accounts payable - trade. The main contributing factors for net assets were increases in retained earnings and foreign currency translation adjustment.

As a result of these factors, the equity ratio was 79.2%.

(Cash flows)

Cash and cash equivalents (hereafter, referred to as “cash”) as of the end of the second quarter of the fiscal year ending March 31, 2023 increased by ¥12,542 million (42.7%) from the end of the previous fiscal year to ¥41,893 million.

The respective cash flow positions during the six months ended September 30, 2022 are as follows.

Net cash provided by operating activities increased by ¥430 million (2.9%) compared with the corresponding period of the previous fiscal year to ¥15,481 million. The main contributing factor was an increase in profit before income taxes.

Net cash provided by investing activities increased by ¥3,013 million compared with ¥1,314 million used in the corresponding period of the previous fiscal year to ¥1,699 million. The main contributing factor was a decrease in purchase of securities, despite an increase in payments into time deposits.

Net cash used in financing activities increased by ¥15 million (0.3%) compared with the corresponding period of the previous fiscal year to ¥5,330 million. The main contributing factor was an increase in repayments of short-term borrowings.

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

In light of the recent business performance trends, the Company has revised today (October 31, 2022) its consolidated results forecasts for the fiscal year ending March 31, 2023 that was announced on May 13, 2022.

Please refer to today’s press release “Notice Concerning Differences Between Consolidated Results Forecasts and Actual Results for the Six Months Ended September 30, 2022 and Revisions to Full-Year Consolidated Results Forecasts of the Fiscal Year Ending March 31, 2023” for details regarding the revisions of earnings forecasts.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of end FY2022 (March 31, 2022)	As of end 2Q FY2023 (September 30, 2022)
Assets		
Current assets		
Cash and deposits	112,922	135,878
Notes and accounts receivable - trade, and contract assets	56,688	57,239
Securities	65,000	58,000
Merchandise and finished goods	16,467	20,719
Work in process	387	448
Raw materials and supplies	9,459	13,700
Other	3,091	5,539
Allowance for doubtful accounts	(611)	(624)
Total current assets	263,406	290,901
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	74,641	75,966
Machinery, equipment and vehicles, net	40,376	47,844
Land	34,994	35,591
Leased assets, net	1,869	1,751
Construction in progress	6,153	3,966
Other, net	1,160	1,163
Total property, plant and equipment	159,195	166,283
Intangible assets		
Other	1,311	2,099
Total intangible assets	1,311	2,099
Investments and other assets		
Investment securities	28,256	28,086
Deferred tax assets	1,517	1,346
Retirement benefit asset	38	34
Other	945	1,250
Total investments and other assets	30,758	30,716
Total non-current assets	191,264	199,100
Total assets	454,670	490,001

(Millions of yen)

	As of end FY2022 (March 31, 2022)	As of end 2Q FY2023 (September 30, 2022)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	28,452	31,183
Short-term borrowings	378	367
Lease liabilities	285	286
Accrued expenses	24,072	23,816
Income taxes payable	2,336	2,659
Provision for bonuses for directors (and other officers)	139	24
Provision for removal cost of property, plant and equipment	61	61
Asset retirement obligations	5	4
Other	3,306	2,371
Total current liabilities	59,038	60,776
Non-current liabilities		
Lease liabilities	3,286	3,164
Deferred tax liabilities	1,975	2,267
Provision for retirement benefits for directors (and other officers)	322	305
Retirement benefit liability	21,510	21,372
Asset retirement obligations	211	212
Other	1,181	1,584
Total non-current liabilities	28,487	28,907
Total liabilities	87,525	89,684
Net assets		
Shareholders' equity		
Share capital	18,969	18,969
Capital surplus	22,942	22,941
Retained earnings	302,223	312,388
Treasury shares	(8,234)	(8,235)
Total shareholders' equity	335,901	346,064
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,330	8,242
Deferred gains or losses on hedges	46	127
Foreign currency translation adjustment	13,329	36,098
Remeasurements of defined benefit plans	(2,724)	(2,560)
Total accumulated other comprehensive income	18,981	41,908
Non-controlling interests	12,262	12,344
Total net assets	367,145	400,317
Total liabilities and net assets	454,670	490,001

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

(Millions of yen)

	2Q FY2022 (from April 1, 2021 to September 30, 2021)	2Q FY2023 (from April 1, 2022 to September 30, 2022)
Net sales	170,498	212,940
Cost of sales	127,615	160,376
Gross profit	42,883	52,563
Selling, general and administrative expenses	28,086	33,584
Operating profit	14,796	18,978
Non-operating income		
Interest income	206	565
Dividend income	290	334
Share of profit of entities accounted for using equity method	70	64
Miscellaneous income	531	622
Total non-operating income	1,099	1,586
Non-operating expenses		
Interest expenses	117	112
Miscellaneous losses	61	74
Total non-operating expenses	178	186
Ordinary profit	15,717	20,378
Extraordinary income		
Gain on sale of non-current assets	1	0
Subsidy income	138	111
Other	59	2
Total extraordinary income	199	114
Extraordinary losses		
Loss on sale and retirement of non-current assets	52	166
Impairment losses	24	3
Provision for removal cost of property, plant and equipment	95	–
Loss on disaster	–	68
Other	31	8
Total extraordinary losses	202	247
Profit before income taxes	15,714	20,245
Income taxes - current	4,220	4,658
Income taxes - deferred	247	134
Total income taxes	4,467	4,793
Profit	11,247	15,451
Profit attributable to non-controlling interests	272	180
Profit attributable to owners of parent	10,975	15,270

Quarterly consolidated statements of comprehensive income (Cumulative)

(Millions of yen)

	2Q FY2022 (from April 1, 2021 to September 30, 2021)	2Q FY2023 (from April 1, 2022 to September 30, 2022)
Profit	11,247	15,451
Other comprehensive income		
Valuation difference on available-for-sale securities	53	(188)
Deferred gains or losses on hedges	27	81
Foreign currency translation adjustment	1,255	22,768
Remeasurements of defined benefit plans, net of tax	185	173
Share of other comprehensive income of entities accounted for using equity method	18	73
Total other comprehensive income	1,540	22,907
Comprehensive income	12,788	38,359
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,497	38,197
Comprehensive income attributable to non-controlling interests	291	162

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	2Q FY2022 (from April 1, 2021 to September 30, 2021)	2Q FY2023 (from April 1, 2022 to September 30, 2022)
Cash flows from operating activities		
Profit before income taxes	15,714	20,245
Depreciation	7,366	7,996
Impairment losses	24	3
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(9)	(16)
Increase (decrease) in provision for bonuses for directors (and other officers)	(172)	(114)
Increase (decrease) in allowance for doubtful accounts	3	12
Increase (decrease) in retirement benefit liability	208	107
Interest and dividend income	(497)	(899)
Interest expenses	117	112
Share of loss (profit) of entities accounted for using equity method	(70)	(64)
Loss (gain) on sale and retirement of property, plant and equipment	51	166
Decrease (increase) in trade receivables	(893)	317
Decrease (increase) in inventories	(2,015)	(7,227)
Increase (decrease) in trade payables	1,343	2,056
Increase (decrease) in accrued expenses	(1,382)	(815)
Other, net	705	(1,283)
Subtotal	20,494	20,596
Interest and dividends received	717	523
Interest paid	(117)	(112)
Income taxes paid	(6,043)	(5,525)
Net cash provided by (used in) operating activities	15,051	15,481
Cash flows from investing activities		
Payments into time deposits	(31,478)	(46,930)
Proceeds from withdrawal of time deposits	48,770	50,477
Purchase of securities	(60,000)	(41,000)
Proceeds from redemption of securities	48,000	48,000
Purchase of property, plant and equipment	(6,324)	(8,470)
Proceeds from sale of property, plant and equipment	1	3
Purchase of intangible assets	(168)	(381)
Purchase of investment securities	(221)	(16)
Loan advances	(955)	(887)
Proceeds from collection of loans receivable	939	892
Other, net	123	12
Net cash provided by (used in) investing activities	(1,314)	1,699

(Millions of yen)

	2Q FY2022 (from April 1, 2021 to September 30, 2021)	2Q FY2023 (from April 1, 2022 to September 30, 2022)
Cash flows from financing activities		
Proceeds from short-term borrowings	395	535
Repayments of short-term borrowings	(377)	(546)
Dividends paid	(5,100)	(5,100)
Dividends paid to non-controlling interests	(74)	(76)
Other, net	(157)	(141)
Net cash provided by (used in) financing activities	(5,314)	(5,330)
Effect of exchange rate change on cash and cash equivalents	31	691
Net increase (decrease) in cash and cash equivalents	8,453	12,542
Cash and cash equivalents at beginning of period	32,832	29,351
Cash and cash equivalents at end of period	41,286	41,893

(4) 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 U.S. GAAP ASU 2016-02 "Leases")

Foreign consolidated subsidiaries in the United States have adopted U.S. GAAP ASU 2016-02 "Leases" from the first quarter of the fiscal year ending March 31, 2023. As a result, in principle assets and liabilities will be recognized for all leases for lease transactions of the borrower.

In applying U.S. GAAP ASU 2016-02, these will be recognized as transitional measures, and we will adopt a method to recognize the cumulative effects from the application of these standards on the date that they begin to be applied.

With the application of this standard, investments and other assets increased by ¥350 million, current liabilities increased by ¥180 million and non-current liabilities increased by ¥169 million on quarterly consolidated balance sheets as of end of second quarter of the fiscal year under review. The impact of this change on profit or loss and segment information for the period under review was immaterial.

(Segment information)

I. Six months ended September 30, 2021 (from April 1, 2021 to September 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	11,869	–	42,999	26,783	9,215	11,250	102,118	17,915	120,034	–	120,034
The Americas	17	50,058	–	–	–	–	50,075	–	50,075	–	50,075
Other regions	246	–	–	–	–	–	246	142	388	–	388
Net sales (Note 4)	12,133	50,058	42,999	26,783	9,215	11,250	152,440	18,057	170,498	–	170,498
Net sales to outside customers	12,133	50,058	42,999	26,783	9,215	11,250	152,440	18,057	170,498	–	170,498
Intersegment sales or transfers	416	–	26	6	–	477	926	12	938	(938)	–
Total	12,550	50,058	43,025	26,789	9,215	11,727	153,367	18,069	171,437	(938)	170,498
Segment profit (loss)	100	4,713	4,815	3,562	(68)	1,279	14,402	743	15,146	(349)	14,796

- 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 ¥349 million in segment profit or loss adjustments includes companywide expenses of negative ¥597 million which have not been allocated to each reportable segment, a negative ¥1 million adjustment to inventories, and other adjustments of ¥249 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.
 4. Net sales are revenue mainly recognized from contracts with customers, and the amount of revenue recognized from other sources is not significant.

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

II. Six months ended September 30, 2022 (from April 1, 2022 to September 30, 2022)

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	13,898	–	43,211	27,190	9,573	11,632	105,506	18,377	123,883	–	123,883
The Americas	2	88,526	–	–	–	–	88,528	–	88,528	–	88,528
Other regions	399	–	–	–	–	–	399	128	527	–	527
Net sales (Note 4)	14,300	88,526	43,211	27,190	9,573	11,632	194,434	18,505	212,940	–	212,940
Net sales to outside customers	14,300	88,526	43,211	27,190	9,573	11,632	194,434	18,505	212,940	–	212,940
Intersegment sales or transfers	582	–	42	5	–	509	1,139	13	1,153	(1,153)	–
Total	14,882	88,526	43,253	27,195	9,573	12,141	195,573	18,519	214,093	(1,153)	212,940
Segment profit	246	10,954	2,669	3,193	354	1,204	18,623	806	19,429	(451)	18,978

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 ¥451 million in segment profit adjustments includes companywide expenses of negative ¥613 million which have not been allocated to each reportable segment, a negative ¥112 million adjustment to inventories, and other adjustments of ¥273 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 is adjusted at the operating profit level on the quarterly consolidated financial statements.

4. Net sales are revenue mainly recognized from contracts with customers, and the amount of revenue recognized from other sources is not significant.

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