

## Consolidated Financial Results

# Kikkoman Corporation Flash Report for Fiscal 2023 3Q (IFRS) (Consolidated)

Nine-month Period ended December 31, 2022

Listed company name:	<b>Kikkoman Corporation</b>
Shares listed:	Tokyo (Prime)
Code No.:	2801
URL:	<a href="https://www.kikkoman.com">https://www.kikkoman.com</a>
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Scheduled submission date of quarterly accounting report:	February 14, 2023
Scheduled date for cash dividend payments:	—
Supplementary Schedules for quarter:	Yes
Results briefing for quarter:	No

(Amounts less than ¥1 million have been omitted in the following tables)

## 1. Business Performance for the Nine-month Period Ended December 31, 2022 (April 1, 2022 to December 31, 2022)

### 1) Business Performance

(Millions of yen)

	Revenue		Business profit		Operating profit		Profit before income taxes	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2022 - Dec. 31, 2022	466,363	21.2	48,221	8.9	46,322	7.3	50,640	8.9
Apr. 1, 2021 - Dec. 31, 2021	384,860	17.9	44,266	27.6	43,184	23.7	46,511	28.9

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2022 - Dec. 31, 2022	36,375	9.1	57,099	40.0
Apr. 1, 2021 - Dec. 31, 2021	33,354	28.7	40,777	92.9

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Apr. 1, 2022 - Dec. 31, 2022	189.94	—
Apr. 1, 2021 - Dec. 31, 2021	173.96	—

(Notes) 1. Business profit is profit after deducting Cost of sales and Selling, general and administrative expenses from Revenue.

### 2) Financial Position

(Millions of yen)

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
Dec. 31, 2022	550,912	406,721	399,949	72.6%
Mar. 31, 2022	503,061	363,907	357,816	71.1%

## 2. Cash Dividends

	Cash dividends per share (yen)				
	Three-month Period ended	Six-month period ended	Nine-month period ended	Full year ended	Total
Apr. 1, 2021 -Mar. 31, 2022	—	22.00	—	39.00	61.00
Apr. 1, 2022 -Mar. 31, 2023	—	30.00	—		
Apr. 1, 2022 -Mar. 31, 2023 (Estimated)				31.00	61.00

(Note) Revisions to recently announced forecasts of dividends: None

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2023  
(April 1, 2022 to March 31, 2023)

(Millions of yen)

	Revenue		Business profit		Operating profit		Profit before income taxes	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2022 -Mar. 31, 2023	596,700	15.5	55,100	5.4	52,800	4.2	56,200	3.6

	Profit for the year attributable to owners of the parent		Basic earnings per share (yen)
	Amount	Y o Y (%)	
Apr. 1, 2022 -Mar. 31, 2023	40,700	4.6	212.53

(Note) Revisions to recently announced forecasts of business performance: None

## [Notes]

1) Changes in important subsidiaries during the period (Changes in certain specific subsidiaries resulting in a revised scope of consolidation): None

2) Changes in accounting policy and changes in accounting estimates

- ① Changes in accounting policies required by IFRS: None
- ② Changes in accounting policy other than those in ① above: None
- ③ Changes in accounting estimates: None

3) Issued and outstanding shares (common stock)

- ① Shares issued and outstanding at end of period (including treasury stock)
 

December 31, 2022	—	193,883,202 shares	March 31, 2022	—	193,883,202 shares
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- ② Treasury stock at end of period
 

December 31, 2022	—	2,404,965 shares	March 31, 2022	—	2,345,706 shares
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- ③ Average shares outstanding during the period (cumulative from the beginning of the fiscal year)
 

December 31, 2022	—	191,507,781 shares	December 31, 2021	—	191,737,256 shares
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(Note) The number of treasury stock at end of period includes the Company's shares held by the BIP (Board Incentive Plan) Trust established for the remuneration plan for the Company's directors, etc. (58,100 shares as of December 31, 2022, - shares as of March 31, 2022). The Company's shares held by the BIP Trust are included in the number of shares of treasury stock which are deducted from the number of shares when calculating the average number of shares outstanding during the period.

\* This Flash Report is not included in the scope of an audit by certified public accountants or the audit corporations.

\* Explanation concerning the appropriate use of financial result forecasts and other special notes

(Caution Regarding Forward-looking Statements)

Forecasts of business performance and future developments noted in this report are based on assumptions from information available to management at the time of disclosure and deemed reasonable at the present time. The Company makes no promises or commitments regarding achievements of such forecasts and future developments. Actual results may differ significantly from forecasts. For details of business performance forecasts and guidelines for assumptions, please refer to the attachments to this report, Page 9, 1. Qualitative Information and Consolidated Financial Statements, 3) Explanation of forward-looking statements, including forecasts of consolidated business performance.

(How to obtain business performance presentation materials)

Kikkoman will publish supplementary schedules to the nine-month results on TD-net for viewing in Japan, and on its website.

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## 1. Qualitative Information and Consolidated Financial Statements

### 1) Explanation of business performance

During the first nine months under review, the global economic situation was still severe due to sluggish conditions in some regions and continued surges in raw material and energy prices, despite a moderate economic recovery in general.

In these circumstances, overall domestic sales of the Group fell year on year in the Foods—Manufacturing and Sales business due to a decline in sales of food products and beverages from the year-ago level, although sales of soy sauce and liquor and wine increased year on year. Overseas, sales increased year on year with strong performance in both the Foods—Manufacturing and Sales and the Foods—Wholesale businesses.

As a result, consolidated results for the nine-month period in fiscal 2023 were as follows.

### <Consolidated Financial Statements>

(Millions of yen, %)

	FY2022 3Q		FY2023 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2021 – 12.31.2021		4.1.2022 – 12.31.2022		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%						
Revenue	384,860	100.0	466,363	100.0	81,502	121.2	—	54,757	26,744	106.9
Business Profit	44,266	11.5	48,221	10.3	3,955	108.9	(1.2)	6,428	(2,472)	94.4
Operating Profit	43,184	11.2	46,322	9.9	3,138	107.3	(1.3)	5,917	(2,778)	93.6
Profit before income taxes	46,511	12.1	50,640	10.9	4,128	108.9	(1.2)	6,166	(2,038)	95.6
Profit for the period attributable to owners of the parent	33,354	8.7	36,375	7.8	3,020	109.1	(0.9)	4,542	(1,521)	95.4
Exchange Rate (¥/US\$)	111.38		135.40		24.02					
(¥/EUR)	130.85		140.42		9.57					

## &lt;Reporting Segments&gt;

(Millions of yen, %)

		FY2022 3Q		FY2023 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2021 – 12.31.2021		4.1.2022 – 12.31.2022		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Domestic Foods— Manufacturing and Sales	Revenue	116,461	100.0	112,248	100.0	(4,212)	96.4	—	—	(4,212)	96.4
	Business Profit	11,178	9.6	8,101	7.2	(3,077)	72.5	(2.4)	—	(3,077)	72.5
Domestic Others	Revenue	16,179	100.0	16,572	100.0	393	102.4	—	—	393	102.4
	Business Profit	1,449	9.0	1,531	9.2	81	105.6	0.2	—	81	105.6
Overseas Foods— Manufacturing and Sales	Revenue	85,778	100.0	107,222	100.0	21,443	125.0	—	16,584	4,858	105.7
	Business Profit	18,296	21.3	21,596	20.1	3,299	118.0	(1.2)	3,314	(14)	99.9
Overseas Foods— Wholesale	Revenue	190,741	100.0	257,107	100.0	66,366	134.8	—	40,187	26,178	113.7
	Business Profit	13,868	7.3	17,846	6.9	3,977	128.7	(0.4)	2,701	1,276	109.2
Adjustments	Revenue	(24,299)	100.0	(26,788)	100.0	(2,488)	—	—	(2,014)	(474)	—
	Business Profit	(528)	—	(853)	—	(325)	—	—	413	(738)	—
Consolidated Total	Revenue	384,860	100.0	466,363	100.0	81,502	121.2	—	54,757	26,744	106.9
	Business Profit	44,266	11.5	48,221	10.3	3,955	108.9	(1.2)	6,428	(2,472)	94.4
Exchange Rate (¥/US\$)		111.38		135.40		24.02					
		(¥/EUR)		140.42		9.57					

Performance in each reporting segment is outlined as follows.

## 【Domestic】

Revenue in Japan were as follows.

## Foods—Manufacturing and Sales

This business segment comprises manufacturing and sales in Japan of products from the Soy Sauce Division and the Food Products Division, which includes *tsuyu* (soy sauce soup base), *tare* (dipping and marinade sauces), and Del Monte seasonings, as well as the Beverages Division, which includes soy milk beverages and Del Monte beverages, and the Liquor and Wine Division, which includes *mirin* and wines. Revenue for each division were as follows.

## ■ Soy Sauce Division

Sales of the *Itsudemo Shinsen* (always fresh) series and products in conventional plastic bottles such as *Tokusen Marudaizu Shoyu* decreased from the year-ago level, despite the continued implementation of TV advertisement-focused marketing measures aimed at communicating products' added value. Consequently, overall sales in the home-use sector decreased year on year. Sales increased year on year in the industrial- and foodservice-use sectors due to a recovery in demand mainly in the restaurant industry. As a result, overall sales increased year on year for the Soy Sauce Division.

## ■ Food Products Division

Overall sales of *tsuyu* products increased from the year-ago level, reflecting the strong performance of the *Gumen* straight-type *tsuyu* series, *Koidashi Hon Tsuyu* and *Shiro Dashi*. Sales of *tare* products decreased year on year. Sales of the *Uchi no Gohan* series (handy Japanese-style seasoning mixes) increased year on year. Sales of Del Monte seasonings rose year on year. The prices of Del Monte seasonings and *tare* products were revised in May 2022 and October 2022, respectively mainly due to a surge in raw material prices. Sales decreased year on year for the overall Food Products Division due to the impact of a transfer of the food business in the previous year.

## ■ Beverages Division

Sales of soy milk beverages fell from the year-ago level due to a year-on-year decline in sales of mainstay processed soy milk in one-liter containers and soy milk beverages in one-liter containers. Sales of Del Monte beverages increased year on year. The prices of Del Monte beverages were revised in May 2022 mainly due to a surge in raw material prices. As a result, overall sales decreased year on year for the Beverages Division.

## ■ Liquor and Wine Division

Sales of *Hon Mirin* increased year on year, reflecting higher sales of *Nokojukusei Hon Mirin* and high value-added products such as *Komekoji Kodawari-jikomi Hon Mirin* in the home-use sector. In addition, sales of products in the industrial- and foodservice-use sectors increased year on year. Sales of wine increased year on year. The prices of *Hon Mirin* were revised in October 2022 mainly due to a surge in raw material prices. As a result, overall sales increased year on year for the Liquor and Wine Division.

As a result of the above, the Foods—Manufacturing and Sales segment recorded lower revenue and lower profit, with revenue decreasing 3.6% year on year, to ¥112,248 million, and business profit decreasing 27.5% year on year, to ¥8,101 million.

## Others

This segment includes production and sales of clinical diagnostic reagents, hygiene inspection agents, and chemical products such as hyaluronic acid, as well as real estate rental, logistics, back-office functions for the Kikkoman Group, and other businesses.

Sales of clinical diagnostic enzymes rose year on year. As a result, overall sales increased year on year for the Others segment.

As a result of the above, the Others segment recorded higher revenue and higher profit, with revenue increasing 2.4% year on year, to ¥16,572 million, and business profit increasing 5.6% year on year, to ¥1,531 million.



**【Overseas】**

Revenue overseas were as follows.

**Foods—Manufacturing and Sales**

This business comprises overseas manufacturing and sales of products from the Soy Sauce Division, Del Monte Division, and the Other Foods Division, including health foods. Revenue for each division were as follows.

**■ Soy Sauce Division**

In the North American market, the division continue to enhance its lineup of soy sauce-based seasonings and other products, in addition to its mainstay soy sauce products, in the home-use sector. At the same time, the division has been leveraging the Kikkoman brand to expand its business. In the industrial- and foodservice-use sectors, we have expanded our business by responding carefully to the needs of our customers. As a result, sales increased year on year.

In the European market, sales were flat year on year due to the impact of the economic slowdown in Europe and the Russia–Ukraine situation, despite growth in sales in key markets such as the U.K.

In the Asia and Oceania market, sales were higher than the year-ago level, reflecting rising sales in the Philippines, Indonesia, and Thailand, among other countries.

As a result, overall sales for the Soy Sauce Division rose year on year.

**■ Del Monte Division**

This division manufactures and sells canned fruits, canned corn, tomato ketchup and other products in the Asia and Oceania region.

Overall sales rose year on year.

**■ Other Foods Division**

This division manufactures and sells health foods, mainly in the North American region.

Sales increased year on year for the Other Foods Division.

As a result of the above, the Foods—Manufacturing and Sales segment recorded higher revenue and higher profit, with revenue increasing 25.0% year on year, to ¥107,222 million, and business profit increasing 18.0% year on year, to ¥21,596 million.

**Foods—Wholesale**

This segment procures and sells oriental foods in Japan and overseas.

Sales increased year on year in North America, Europe, Asia and Oceania.

As a result, overall sales increased year on year for the Foods—Wholesale segment.

As a result of the above, the Foods—Wholesale segment recorded higher revenue and higher profit, with revenue increasing 34.8% year on year, to ¥257,107 million, and business profit increasing 28.7% year on year, to ¥17,846 million.

As a result of the aforementioned segment results, the Company reported consolidated revenue for the nine-month period ended in fiscal 2023 of ¥466,363 million increasing 21.2% year on year, business profit of ¥48,221 million increasing 8.9%, operating profit of ¥46,322 million increasing 7.3%, and profit for the period attributable to owners of the parent of ¥36,375 million increasing 9.1%.

## 2) Explanation of financial position

### (Assets)

Current assets as of December 31, 2022, were ¥266,797 million, up ¥26,604 million from March 31, 2022. This was mainly due to increases in trade and other receivables and inventories. Non-current assets were ¥284,115 million, up ¥21,247 million from March 31, 2022. This was largely attributable to increases in property, plant and equipment, right-of-use assets and other financial assets (non-current). As a result, total assets increased ¥47,851 million from March 31, 2022, to ¥550,912 million.

### (Liabilities)

Current liabilities as of December 31, 2022, were ¥91,447 million, up ¥8,251 million from March 31, 2022. This was mainly due to an increase in short-term borrowings and current portion of long-term borrowings. Non-current liabilities were ¥52,713 million, down ¥3,213 million from March 31, 2022. This was largely due to a decrease in long-term borrowings, which offset an increase in long-term lease liabilities. As a result, total liabilities increased ¥5,037 million from March 31, 2022, to ¥144,190 million.

### (Equity)

Equity as of December 31, 2022 was ¥406,721 million, up ¥42,813 million from March 31, 2022. This was largely attributable to an increase in retained earnings as well as an increase in exchange differences on translation of foreign operations, which resulted from the weaker yen.

As a result, the ratio of equity attributable to owners of the parent to total assets was 72.6% (71.1% on March 31, 2022).

## 3) Explanation of forward-looking statements, including forecasts of consolidated business performance

There are no changes to the full year forecasts of business performance that were announced in the Flash Report published on August 4, 2022. There are no significant changes to business risks that might affect business performance from the disclosures in the latest securities report (submitted on June 21, 2022).

## 2. Condensed Quarterly Consolidated Financial Statements and Main Notes

## 1) Condensed Quarterly Consolidated Statements of Financial Position

	(Millions of yen)	
	As of March 31, 2022	As of December 31, 2022
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	79,229	81,122
Trade and other receivables	69,407	80,363
Inventories	82,700	91,790
Other financial assets	2,541	4,842
Other current assets	6,313	8,678
Total current assets	240,192	266,797
Non-current assets:		
Property, plant and equipment	136,291	147,775
Investment properties	9,292	9,225
Right-of-use assets	23,385	30,545
Goodwill	4,626	4,671
Intangible assets	4,947	4,862
Investments in associates accounted for using the equity method	3,939	4,291
Other financial assets	68,961	70,876
Employee defined benefit assets	7,824	7,731
Deferred tax assets	3,431	3,973
Other non-current assets	167	160
Total non-current assets	262,868	284,115
Total assets	503,061	550,912

(Millions of yen)

	<b>As of March 31, 2022</b>	<b>As of December 31, 2022</b>
<b>Liabilities</b>		
Current liabilities:		
Trade and other payables	59,573	52,295
Short-term borrowings and current portion of long-term borrowings	4,503	15,350
Short-term lease liabilities	4,313	5,360
Income tax payable	5,182	2,903
Other financial liabilities	648	5,894
Other current liabilities	9,004	9,674
Total current liabilities	<u>83,225</u>	<u>91,477</u>
Non-current liabilities:		
Long-term borrowings	13,000	2,000
Long-term lease liabilities	21,643	28,057
Deferred tax liabilities	8,754	10,093
Employee defined benefit liabilities	5,322	5,469
Other financial liabilities	4,023	3,956
Other non-current liabilities	3,183	3,134
Total non-current liabilities	<u>55,927</u>	<u>52,713</u>
Total liabilities	<u>139,153</u>	<u>144,190</u>
<b>Equity</b>		
Equity:		
Share capital	11,599	11,599
Capital surplus	13,696	13,727
Retained earnings	297,166	320,756
Treasury stock	(6,808)	(7,322)
Other components of equity	42,212	61,188
Total equity attributable to owners of the parent	<u>357,816</u>	<u>399,949</u>
Non-controlling interests	6,091	6,772
Total equity	<u>363,907</u>	<u>406,721</u>
Total liabilities and equity	<u>503,061</u>	<u>550,912</u>

## 2) Condensed Quarterly Consolidated Statements of Profit or Loss and Condensed Quarterly Consolidated Statements of Comprehensive Income (Condensed Quarterly Consolidated Statements of Profit or Loss)

(Millions of yen)

	<b>Nine months ended December 31, 2021</b>	<b>Nine months ended December 31, 2022</b>
Revenue	384,860	466,363
Cost of sales	247,975	310,314
Gross profit	136,885	156,049
Selling, general and administrative expenses	92,619	107,827
Business profit	44,266	48,221
Other income	1,797	1,588
Other expenses	2,878	3,487
Operating profit	43,184	46,322
Finance income	5,766	9,800
Finance costs	2,685	5,731
Share of profit of associates accounted for using the equity method	245	248
Profit before income taxes	46,511	50,640
Income taxes	12,770	13,853
Profit for the period	33,741	36,786
Profit for the period attributable to:		
Owners of the parent	33,354	36,375
Non-controlling interests	386	411
Profit for the period	33,741	36,786
Earnings per share (yen)	173.96	189.94

## (Condensed Quarterly Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	<b>Nine months ended December 31, 2021</b>	<b>Nine months ended December 31, 2022</b>
Profit for the period	33,741	36,786
Other comprehensive income (loss):		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at FVOCI, net of taxes	(836)	1,712
Remeasurements of defined benefit plans	115	(26)
Share of other comprehensive income (loss) of associates accounted for using the equity method	20	149
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	7,732	18,320
Cash flow hedges	4	156
Other comprehensive income for the period, net of tax	<u>7,036</u>	<u>20,312</u>
Total comprehensive income for the period	<u>40,777</u>	<u>57,099</u>
Total comprehensive income for the period attributable to:		
Owners of the parent	40,051	56,129
Non-controlling interests	726	969

## 3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended December 31, 2021

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Exchange differences on translation of foreign operations	Cash flow hedges
Balance at beginning of the period	11,599	13,695	267,073	(3,658)	2,308	23
Profit for the period			33,354			
Other comprehensive income (loss)					7,392	4
Total comprehensive income (loss) for the period	—	—	33,354	—	7,392	4
Purchase of treasury stock				(2,513)		
Disposal of treasury stock		0		0		
Share-based payment transactions						
Dividends			(8,825)			
Changes in ownership interests in subsidiaries						
Transfer from other components of equity to retained earnings			116			
Transfer to non-financial assets						(26)
Increase (decrease) in treasury stocks due to change in equity interests in associates accounted for using the equity method				(0)		
Other increase (decrease)						
Total transactions with owners of the parent	—	0	(8,708)	(2,513)	—	(26)
Balance at end of the period	11,599	13,696	291,719	(6,172)	9,700	2

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net change in fair value of financial assets measured at FVOCI	Remeasurements of defined benefit plans	Total			
Balance at beginning of the period	17,088	—	19,420	308,130	5,384	313,514
Profit for the period			—	33,354	386	33,741
Other comprehensive income (loss)	(806)	105	6,696	6,696	339	7,036
Total comprehensive income (loss) for the period	(806)	105	6,696	40,051	726	40,777
Purchase of treasury stock			—	(2,513)		(2,513)
Disposal of treasury stock			—	0		0
Share-based payment transactions			—	—		—
Dividends			—	(8,825)	(201)	(9,027)
Changes in ownership interests in subsidiaries			—	—		—
Transfer from other components of equity to retained earnings	(11)	(105)	(116)	—		—
Transfer to non-financial assets			(26)	(26)		(26)
Increase (decrease) in treasury stocks due to change in equity interests in associates accounted for using the equity method			—	(0)		(0)
Other increase (decrease)			—	—	(0)	(0)
Total transactions with owners of the parent	(11)	(105)	(142)	(11,364)	(201)	(11,566)
Balance at end of the period	16,271	—	25,973	336,816	5,909	342,726

Nine months ended December 31, 2022

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Exchange differences on translation of foreign operations	Cash flow hedges
Balance at beginning of the period	11,599	13,696	297,116	(6,808)	24,600	104
Profit for the period			36,375			
Other comprehensive income (loss)					17,767	156
Total comprehensive income (loss) for the period	—	—	36,375	—	17,767	156
Purchase of treasury stock				(514)		
Disposal of treasury stock		0		0		
Share-based payment transactions		59				
Dividends			(13,220)			
Changes in ownership interests in subsidiaries		(28)			3	
Transfer from other components of equity to retained earnings			484			
Transfer to non-financial assets						(296)
Increase (decrease) in treasury stocks due to change in equity interests in associates accounted for using the equity method						
Other increase (decrease)						
Total transactions with owners of the parent	—	30	(12,735)	(514)	3	(296)
Balance at end of the period	11,599	13,727	320,756	(7,322)	42,371	(34)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net change in fair value of financial assets measured at FVOCI	Remeasurements of defined benefit plans	Total			
Balance at beginning of the period	17,506	—	42,212	357,816	6,091	363,907
Profit for the period			—	36,375	411	36,786
Other comprehensive income (loss)	1,866	(36)	19,754	19,754	558	20,312
Total comprehensive income (loss) for the period	1,866	(36)	19,754	56,129	969	57,099
Purchase of treasury stock			—	(514)		(514)
Disposal of treasury stock			—	0		0
Share-based payment transactions				59		59
Dividends			—	(13,220)	(246)	(13,466)
Changes in ownership interests in subsidiaries			3	(25)	(43)	(68)
Transfer from other components of equity to retained earnings	(521)	36	(484)	—		—
Transfer to non-financial assets			(296)	(296)		(296)
Increase (decrease) in treasury stocks due to change in equity interests in associates accounted for using the equity method			—	—		—
Other increase (decrease)			—	—		—
Total transactions with owners of the parent	(521)	36	(777)	(13,996)	(289)	(14,285)
Balance at end of the period	18,851	—	61,188	399,949	6,772	406,721



#### 4) Notes on Condensed Quarterly Consolidated Financial Statements (Notes Regarding Going Concern)

No applicable items.

##### (Segment Information)

###### (a) Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available. The Group's Board of Directors uses these operating segments periodically to make decisions on the allocation of management resources and to evaluate business performance. The Group does not aggregate the operation segments in determining the reportable segments.

The Company, as a holding company, mainly formulates Group strategies and manages operating companies. Under this structure, Japanese companies are categorized into companies that primarily engage in the manufacturing and sale of foods and others. Overseas business is operated by the holding company's overseas business divisions, and the operating companies are categorized into companies that engage in foods manufacturing and sales and companies that engage in wholesale of oriental food products.

Accordingly, the Group consists of four reportable segments that are a matrix of domestic and overseas regions and types of business: "Domestic Foods—Manufacturing and Sales," "Domestic Others," "Overseas Foods—Manufacturing and Sales" and "Overseas Foods—Wholesale".

The Domestic Foods—Manufacturing and Sales segment engages in the manufacturing and sale of soy sauce, food products, beverages, liquor and wine in Japan. The Domestic Others segment engages in the manufacturing and sale of pharmaceuticals and chemical products and in real estate rentals, logistics, back-office functions and other businesses in Japan. The Overseas Foods—Manufacturing and Sales segment engages in the manufacturing, sale and exporting of soy sauce, Del Monte products and health foods and in the export and sales of products for overseas market. The Overseas Foods—Wholesale segment purchases and sells oriental foods in domestic and overseas markets.

###### (b) Information about reportable segments

Segment profit (loss) represents business profit, the amount obtained by deducting cost of sales, selling, general and administrative expenses from revenue. Inter-segment revenue and transfers are determined based on prevailing market prices.

(c) Information about revenue and profit or loss by reportable segment is set out below:

	Nine months ended December 31, 2021				Total	Adjustments	Consolidated
	Domestic Foods— Manufacturing and Sales	Domestic Others	Overseas Foods— Manufacturing and Sales	Overseas Foods— Wholesale			
Revenue							(Millions of yen)
External revenue	114,237	5,706	74,343	190,573	384,860	—	384,860
Inter-segment revenue	2,223	10,472	11,435	167	24,299	(24,299)	—
Total	<u>116,461</u>	<u>16,179</u>	<u>85,778</u>	<u>190,741</u>	<u>409,160</u>	<u>(24,299)</u>	<u>384,860</u>
Segment profit (loss)	11,178	1,449	18,296	13,868	44,794	(528)	44,266
Other income	—	—	—	—	—	—	1,797
Other expenses	—	—	—	—	—	—	2,878
Finance income	—	—	—	—	—	—	5,766
Finance costs	—	—	—	—	—	—	2,685
Share of profit of associates accounted for using the equity method	—	—	—	—	—	—	245
Profit before income taxes	—	—	—	—	—	—	46,511

(Note) Adjustment of segment profit is mainly due to the difference in allocation of corporate expenses.

	Nine months ended December 31, 2022				Total	Adjustments	Consolidated
	Domestic Foods— Manufacturing and Sales	Domestic Others	Overseas Foods— Manufacturing and Sales	Overseas Foods— Wholesale			
Revenue							(Millions of yen)
External revenue	109,843	6,052	93,446	257,020	466,363	—	466,363
Inter-segment revenue	2,404	10,520	13,776	87	26,788	(26,788)	—
Total	<u>112,248</u>	<u>16,572</u>	<u>107,222</u>	<u>257,107</u>	<u>493,151</u>	<u>(26,788)</u>	<u>466,363</u>
Segment profit (loss)	8,101	1,531	21,596	17,846	49,075	(853)	48,221
Other income	—	—	—	—	—	—	1,588
Other expenses	—	—	—	—	—	—	3,487
Finance income	—	—	—	—	—	—	9,800
Finance costs	—	—	—	—	—	—	5,731
Share of profit of associates accounted for using the equity method	—	—	—	—	—	—	248
Profit before income taxes	—	—	—	—	—	—	50,640

(Note) Adjustment of segment profit is mainly due to the difference in allocation of corporate expenses.