

# Consolidated Financial Results for the Nine Months Ended March 31, 2023 [Japanese GAAP]



May 12, 2023

Company name: ICHIMASA KAMABOKO Co., Ltd.

Stock exchange listing: Tokyo Stock Exchange

Code number: 2904

URL: <https://www.ichimasa.co.jp/global/en/>

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Scheduled date of filing quarterly securities report: May 15, 2023

Scheduled date of commencing dividend payments: —

Availability of supplementary explanatory materials on quarterly financial results: Available

Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Nine Months Ended March 31, 2023 (July 1, 2022 – March 31, 2023)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended								
March 31, 2023	25,747	2.8	89	(89.4)	125	(85.7)	174	(73.9)
March 31, 2022	25,054	—	842	(56.9)	883	(55.3)	669	(55.9)

(Note) Comprehensive income: Nine months ended March 31, 2023: ¥51 million [(89.3) %]

Nine months ended March 31, 2022: ¥477 million [(73.4) %]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
March 31, 2023	9.51	—
March 31, 2022	36.39	—

(Note) “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and related guidelines have been adopted effective the beginning of the first quarter of the fiscal year ended June 30, 2022. Key financial data for the nine months ended March 31, 2022, indicated above, are figures after the adoption of these accounting standards, etc., and the change in net sales from the previous corresponding period is not presented.

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of March 31, 2023	30,778	13,691	44.5
As of June 30, 2022	25,296	13,862	54.8

(Reference) Equity: As of March 31, 2023: ¥13,691 million

As of June 30, 2022: ¥13,862 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2022	—	0.00	—	12.00	12.00
Fiscal year ending June 30, 2023	—	0.00	—		
Fiscal year ending June 30, 2023 (Forecast)				12.00	12.00

(Note) Revision to the forecast for dividends announced most recently: None

## 3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2023 (July 1, 2022 – June 30, 2023)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
Full year	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
	34,000	7.5	500	(8.4)	500	(19.8)	470	(16.9)	25.57

(Note) Revision to the financial results forecast announced most recently: None

### \* Notes:

(1) Changes in significant subsidiaries during the period under review: None

(Changes in specified subsidiaries resulting in changes in scope of consolidation):

Newly included: – ( ), Excluded: – ( )

Notes regarding changes in significant subsidiaries during the period under review

(2) Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements: None

Notes regarding accounting methods adopted particularly for the preparation of quarterly consolidated financial statements

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

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

Notes regarding changes in accounting policies

(4) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

As of March 31, 2023: 18,590,000 shares

As of June 30, 2022: 18,590,000 shares

2) Total number of treasury shares at the end of the period:

As of March 31, 2023: 212,088 shares

As of June 30, 2022: 212,088 shares

3) Average number of shares during the period (cumulative quarterly accounting period):

Nine months ended March 31, 2023: 18,377,912 shares

Nine months ended March 31, 2022: 18,403,012 shares

(Note) The Company has introduced the Board Benefit Trust (BBT) and the number of treasury shares at the end of each period includes shares of the Company held by the BBT (147,000 shares as of March 31, 2023 and 147,000 shares as of June 30, 2022). The number of treasury shares deducted in the calculation of the average number of shares during each period includes shares of the Company held by the BBT (147,000

shares for the nine months ended March 31, 2023 and 121,900 shares for the nine months ended March 31, 2022).

\* These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

The financial results forecasts and other forward-looking statements contained herein are based on the information available to the Company and certain assumptions deemed reasonable as of the date of this report and do not constitute a promise by the Company to achieve these forecasts. Actual results may be significantly different from these forecasts due to various factors. For the assumptions on which the financial results forecasts are based and the cautions and other related matters to consider when using thereof, please refer to “1. Qualitative Information on Quarterly Financial Results (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” on page 4 of the attachment.

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## 1. Qualitative Information on Quarterly Financial Results

### (1) Explanation of Operating Results

In the nine months ended March 31, 2023, the Japanese economy showed signs of a recovery, most notably in service consumption, due to the relaxation of restrictions on movement and entry into Japan, with socioeconomic activity starting to normalize from spring 2022 under the “living with COVID” policy.

However, the prolonged invasion of Ukraine, depreciation of the Japanese yen, the spread of avian influenza and other factors have led to numerous costs rising far beyond expectations, including with the prices for surimi and other raw materials, as well as energy, such as for electricity and gas. The Company, and many others, have implemented price revisions to compensate for higher costs, and with the escalating prices of various goods, there is an ever-stronger sense of frugality among consumers, while the business environment surrounding the Group has become more severe than ever before.

Under these circumstances, the Group entered the second year of its 2nd Medium-term Management Plan, which extends from July 2021 to June 2026, with the ICHIMASA30 Vision (the Company’s vision for FY2045) as its aim. It is addressing business issues with the basic policy of “establishing the foundations for business growth and earnings capability through daring challenges toward markets in Japan and overseas and the certain achievement of a first-stage ‘growth trajectory.’”

Further, the maintenance of the global environment is essential for the sustainable growth and development of corporate activity. With the aim of achieving the Sustainable Development Goals (SDGs), the Group is striving to resolve sustainability issues with the cooperation of stakeholders.

As a result, for the nine months ended March 31, 2023, the Company posted net sales of ¥25,747 million (up ¥692 million or 2.8% from the same period of the previous fiscal year), operating profit of ¥89 million (down ¥752 million or 89.4% from the same period of the previous fiscal year), ordinary profit of ¥125 million (down ¥757 million or 85.7% from the same period of the previous fiscal year), and profit attributable to owners of parent of ¥174 million (down ¥494 million or 73.9% from the same period of the previous fiscal year).

The performance of each segment is as follows.

#### (Fish-paste Products and Side Dishes Business)

Sales increased from the same period of the previous fiscal year due in part to the effect of higher selling prices resulting from price revisions, which were implemented based on the understanding and cooperation of our partners for deliveries from September 1, 2022 and March 1, 2023, although sales volume fell below that of the previous fiscal year.

Regarding products for the “*osechi*,” Japanese traditional New Year’s day food, sales grew for the “Jun” series *datemaki* (rolled omelet) and kamaboko, whose main raw and auxiliary materials are all made in Japan.

In terms of profit, the prices of raw materials including surimi, which is a main raw material, remained at high levels. Costs rose on other fronts as well, such as energy, oil and fats, and packaging materials, due to factors including the soaring cost of eggs on account of the impact of avian influenza, the situation in Ukraine and the sharp depreciation of the yen. Given these factors, profit was lower than in the same period of the previous fiscal year.

As a result, for the nine months ended March 31, 2023, this segment posted net sales of ¥22,234 million (up ¥787 million or 3.7% from the same period of the previous fiscal year), and segment loss or operating loss of ¥170 million (segment profit or operating profit of ¥278 million for the same period of the previous fiscal year).

#### (Mushroom Business)

While both the vegetable and mushroom markets were stronger than the last year, the maitake mushroom market remained weak, with an excess of supply due to the impact of increased production by other companies.

In terms of production, efforts were made toward stable cultivation, production efficiency improvements, and the strengthening of quality control systems, while in the sales area, the Company worked to stimulate consumption and increase sales through marketing efforts for large-volume products and the newly launched “Kinari” cream-colored maitake mushrooms, and expanding its offerings for restaurants and commercial use.

As a result, for the nine months ended March 31, 2023, this segment posted net sales of ¥3,181 million (down ¥56 million or 1.8% from the same period of the previous fiscal year), and segment profit or operating profit of ¥196 million (segment profit or operating profit of ¥529 million for the same period of the previous fiscal year).

#### (Transport Business and Warehouse Business)

The transport business saw net sales decrease from the same period of the previous fiscal year because of a lower handling volume of imported vegetables and fruits due to the effect of the weather and some of the regular services being discontinued. Profit decreased from the same period of the previous fiscal year due to the impact of lower sales, despite having cut fixed costs through efforts to cut costs.

For the warehouse business, net sales declined from the same period of the previous fiscal year due to a decrease in warehousing fees caused by stagnant freight operations, although inventory levels exceeded those of the previous fiscal year as shippers purchased and deposited raw materials and other items ahead of schedule in efforts to soften the impact of steep price hikes for freight. On the other hand, as a result of steadily promoting the optimization of warehouse management to improve profitability, profit increased from the same period of the previous fiscal year.

As a result, for the nine months ended March 31, 2023, net sales in others, non-reportable segments were ¥331 million (down ¥37 million or 10.3% from the same period of the previous fiscal year), and segment profit or operating profit was ¥60 million (segment profit or operating profit of ¥24 million for the same period of the previous fiscal year).

## (2) Explanation of Financial Position

### 1) Current assets

Current assets as of March 31, 2023 were ¥11,445 million (an increase of ¥2,332 million from the end of the previous fiscal year). This is mainly attributable to increases in raw materials and supplies, along with cash and deposits.

### 2) Non-current assets

Non-current assets as of March 31, 2023 were ¥19,332 million (an increase of ¥3,149 million from the end of the previous fiscal year). This is mainly attributable to the progression of depreciation of property, plant and equipment, and for the second headquarters factory, increases in buildings and structures and leased assets.

### 3) Current liabilities

Current liabilities as of March 31, 2023 were ¥10,927 million (an increase of ¥2,562 million from the end of the previous fiscal year). This is mainly attributable to a decrease in notes and accounts payable - trade, and an increase in short-term borrowings.

### 4) Non-current liabilities

Non-current liabilities as of March 31, 2023 were ¥6,158 million (an increase of ¥3,090 million from the end of the previous fiscal year). This is mainly attributable to increases in long-term borrowings and other.

### 5) Net assets

Net assets as of March 31, 2023 were ¥13,691 million (a decrease of ¥171 million from the end of the previous fiscal year). This was mainly attributable to the recording of profit attributable to owners of parent and the payment of dividends. The equity ratio decreased to 44.5% from 54.8% at the end of the previous fiscal year on account of an increase in total assets associated with construction of the second headquarters factory.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The full-year consolidated financial results forecasts for the fiscal year ending June 30, 2023 remains unchanged from the financial results forecast announced on February 10, 2023.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheets

(Thousand yen)

	As of June 30, 2022	As of March 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	2,318,833	3,008,478
Accounts receivable - trade	2,884,656	3,194,935
Merchandise and finished goods	888,761	728,705
Work in process	531,453	473,658
Raw materials and supplies	2,289,432	3,380,973
Other	199,892	659,089
Allowance for doubtful accounts	(559)	(535)
Total current assets	9,112,470	11,445,305
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	4,324,171	7,480,531
Machinery, equipment and vehicles, net	2,860,568	2,723,848
Tools, furniture and fixtures, net	167,085	153,620
Land	3,179,344	3,179,344
Leased assets, net	179,705	1,759,299
Construction in progress	2,232,915	962,504
Total property, plant and equipment	12,943,791	16,259,148
Intangible assets	434,986	402,794
Investments and other assets		
Investment securities	2,466,889	2,130,171
Other	362,424	565,089
Allowance for doubtful accounts	(24,500)	(24,500)
Total investments and other assets	2,804,814	2,670,760
Total non-current assets	16,183,592	19,332,703
Total assets	25,296,062	30,778,008
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	1,984,765	1,554,346
Short-term borrowings	2,723,152	5,712,894
Income taxes payable	176,906	51,185
Provision for bonuses	80,828	326,214
Provision for bonuses for directors (and other officers)	18,672	—
Accounts payable - other, and accrued expenses	1,860,553	1,548,297
Other	1,519,521	1,734,367
Total current liabilities	8,364,399	10,927,304
Non-current liabilities		
Bonds payable	200,000	100,000
Long-term borrowings	2,376,335	3,916,954
Provision for retirement benefits for directors (and other officers)	36,988	38,425
Provision for share awards for directors (and other officers)	97,280	110,295
Deferred tax liabilities	9,177	8,512
Other	348,888	1,984,656
Total non-current liabilities	3,068,671	6,158,843
Total liabilities	11,433,070	17,086,148



(Thousand yen)

	As of June 30, 2022	As of March 31, 2023
Net assets		
Shareholders' equity		
Share capital	940,000	940,000
Capital surplus	650,000	650,000
Retained earnings	11,320,455	11,272,947
Treasury shares	(166,135)	(166,135)
Total shareholders' equity	12,744,320	12,696,811
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,103,143	964,788
Foreign currency translation adjustment	15,528	30,259
Total accumulated other comprehensive income	1,118,672	995,048
Total net assets	13,862,992	13,691,860
Total liabilities and net assets	25,296,062	30,778,008

(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statements of Income  
Nine Months Ended March 31

(Thousand yen)

	For the nine months ended March 31, 2022	For the nine months ended March 31, 2023
Net sales	25,054,881	25,747,642
Cost of sales	20,080,669	21,361,311
Gross profit	4,974,212	4,386,330
Selling, general and administrative expenses	4,132,005	4,296,811
Operating profit	842,207	89,519
Non-operating income		
Interest income	792	1,004
Dividend income	17,903	15,397
Rental income	13,211	8,602
Commission income	20,474	10,833
Electricity sale income	12,289	12,710
Gain on redemption of securities	—	8,530
Share of profit of entities accounted for using equity method	9,004	5,396
Miscellaneous income	16,062	18,029
Total non-operating income	89,738	80,504
Non-operating expenses		
Interest expenses	18,147	26,293
Loss on valuation of investment securities	712	—
Depreciation	8,091	8,091
Commission expenses	21,200	9,500
Miscellaneous losses	253	193
Total non-operating expenses	48,403	44,078
Ordinary profit	883,541	125,945
Extraordinary income		
Gain on sale of non-current assets	2,485	1,449
Gain on sale of investment securities	132,170	174,321
Subsidy income	—	7,888
Total extraordinary income	134,656	183,659
Extraordinary losses		
Loss on retirement of non-current assets	443	2,654
Factory integration expenses	—	14,792
Total extraordinary losses	443	17,447
Profit before income taxes	1,017,754	292,156
Income taxes - current	260,501	118,556
Income taxes - deferred	87,597	(1,190)
Total income taxes	348,099	117,366
Profit	669,654	174,790
Profit attributable to non-controlling interests	—	—
Profit attributable to owners of parent	669,654	174,790

Quarterly Consolidated Statements of Comprehensive Income

Nine Months Ended March 31

(Thousand yen)

	For the nine months ended March 31, 2022	For the nine months ended March 31, 2023
Profit	669,654	174,790
Other comprehensive income		
Valuation difference on available-for-sale securities	(207,840)	(138,354)
Share of other comprehensive income of entities accounted for using equity method	16,074	14,730
Total other comprehensive income	(191,766)	(123,624)
Comprehensive income	477,888	51,166
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	477,888	51,166
Comprehensive income attributable to non-controlling interests	—	—

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)

Not applicable.

(Segment information, etc.)

I. For the nine months ended March 31, 2022 (from July 1, 2021 to March 31, 2022)

1. Information on net sales and profit (loss) by reportable segment, and disaggregated revenue information

(Thousand yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Fish-paste Products and Side Dishes Business	Mushroom Business	Total				
Net sales							
Revenue from contracts with customers	21,447,412	3,238,412	24,685,825	369,055	25,054,881	—	25,054,881
Other revenue	—	—	—	—	—	—	—
Net sales to outside customers	21,447,412	3,238,412	24,685,825	369,055	25,054,881	—	25,054,881
Inter-segment net sales or transfers	—	—	—	350,878	350,878	(350,878)	—
Total	21,447,412	3,238,412	24,685,825	719,934	25,405,760	(350,878)	25,054,881
Segment profit	278,572	529,900	808,472	24,413	832,885	9,321	842,207

(Notes) 1. The “Others” category refers to the transport business and warehouse business not included in reportable segments.

2. The adjustment of ¥9,321 thousand in segment profit is primarily elimination of intersegment transactions.

3. Segment profit has been adjusted with operating profit in the Quarterly Consolidated Statements of Income.

2. Information on impairment loss on non-current assets and goodwill by reportable segment

Not applicable.

II. For the nine months ended March 31, 2023 (from July 1, 2022 to March 31, 2023)

1. Information on net sales and profit (loss) by reportable segment, and disaggregated revenue information

(Thousand yen)

	Reportable segment			Others (Note 1)	Total	Adjustment (Note 2)	Amount recorded in Quarterly Consolidated Statements of Income (Note 3)
	Fish-paste Products and Side Dishes Business	Mushroom Business	Total				
Net sales							
Revenue from contracts with customers	22,234,958	3,181,612	25,416,571	331,070	25,747,642	—	25,747,642
Other revenue	—	—	—	—	—	—	—
Net sales to outside customers	22,234,958	3,181,612	25,416,571	331,070	25,747,642	—	25,747,642
Inter-segment net sales or transfers	—	—	—	419,278	419,278	(419,278)	—
Total	22,234,958	3,181,612	25,416,571	750,349	26,166,920	(419,278)	25,747,642
Segment profit (loss)	(170,929)	196,292	25,363	60,933	86,296	3,222	89,519

(Notes) 1. The “Others” category refers to the transport business and warehouse business not included in reportable segments.

2. In order to more appropriately reflect individual segments’ performance in the financial results, the

standards for allocating corporate expenses have been revised and changes were made to the methods of calculating profit or loss for business segments, starting from the three months ended September 30, 2022. Segment information for the nine months ended March 31, 2022 is based on the revised method of calculating profit or loss.

3. The adjustment of ¥3,222 thousand in segment profit is primarily elimination of intersegment transactions.
  4. Segment profit has been adjusted with operating profit in the Quarterly Consolidated Statements of Income.
2. Information on impairment loss on non-current assets and goodwill by reportable segment  
Not applicable.