

Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (Japanese GAAP)

May 11, 2023

Company name: Mitsubishi Shokuhin Co., Ltd. Listing Stock Exchange: Tokyo
 Stock code: 7451 URL: <https://www.mitsubishi-shokuhin.com/en/>
 Representative: Yutaka Kyoya, Representative Director
 Contact: Takeru Aiba, Group Manager, Investor Relations Office
 Tel: +81-3-4553-5229

Annual general meeting of shareholders: June 26, 2023
 Scheduled date for dividend payment: June 27, 2023
 Scheduled date to file securities report: June 27, 2023
 Preparation of supplemental explanatory materials: Yes
 Financial results briefing to be held: Yes (For securities analysts and institutional investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2023 (April 1, 2022 to March 31, 2023)

(1) Consolidated operating results

(Percentages indicate YoY changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2023	1,996,780	2.1	23,433	23.1	25,199	23.7	17,126	22.8
Fiscal year ended March 31, 2022	1,955,601	—	19,036	21.9	20,371	20.5	13,949	25.9

Note: Comprehensive income for the fiscal year ended March 31, 2023 was 16,719 million yen (45.4% YoY).
 Comprehensive income for the fiscal year ended March 31, 2022 was 11,499 million yen (-27.4% YoY).

	Earnings per share	Diluted earnings per share	Ratio of profit to equity capital	Ratio of ordinary profit to total assets	Operating profit margin
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2023	393.93	—	9.7	3.7	1.2
Fiscal year ended March 31, 2022	292.31	—	7.6	3.0	1.0

Reference: Equity in earnings of affiliates Fiscal year ended March 31, 2023: 273 million yen Fiscal year ended March 31, 2022: 316 million yen

Note: The Company has adopted the Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020) from the beginning of FY03/22, and net sales for FY03/22 reflect the new accounting standard. As such, no YoY changes are shown.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
Fiscal year ended March 31, 2023	707,503	182,617	25.8	4,203.59
Fiscal year ended March 31, 2022	665,177	170,291	25.6	3,908.32

Reference: Equity capital amounted to 182,594 million yen as of March 31, 2023 and 170,156 million yen as of March 31, 2022.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2023	24,505	(11,239)	(5,735)	71,525
Fiscal year ended March 31, 2022	19,284	(11,831)	(39,649)	63,963

2. Dividends

	Annual dividend per share					Total dividends	Payout ratio (consolidated)	Dividend-on-equity ratio (consolidated)
	End of Q1	End of Q2	End of Q3	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2022	—	35.00	—	45.00	80.00	3,482	27.4	2.2
Fiscal year ended March 31, 2023	—	45.00	—	65.00	110.00	4,789	27.9	2.7
Fiscal year ending March 31, 2024 (forecast)	—	65.00	—	65.00	130.00		32.3	

3. Consolidated Earnings Forecast for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Percentages indicate YoY changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full-year	2,020,000	1.2	24,300	3.7	26,000	3.2	17,500	2.2	402.87

*Notes

(1) Changes in significant subsidiaries during the period under review: None
(Transfers of specified subsidiaries resulting in changes in the Company's scope of consolidation)
Newly added subsidiaries: None
Subsidiaries excluded: None

(2) Changes in accounting policies and accounting estimates and retrospective restatements

- Accounting policy changes due to accounting standard revisions, etc.: Yes
- Other accounting policy changes: None
- Changes in accounting estimates: None
- Retrospective restatements: None

Note: For details, please refer to "3. Consolidated Financial Statements and Key Notes (5) Notes to Consolidated Financial Statements (Changes in accounting policies)" on page 16 of the attached document.

(3) Number of issued shares (common stock)

1. Number of issued shares at end of period (including treasury stock)	As of March 31, 2023	43,537,200	As of March 31, 2022	43,537,200
2. Number of treasury shares at end of period	As of March 31, 2023	99,388	As of March 31, 2022	347
3. Average number of shares outstanding during period	Fiscal year ended March 31, 2023	43,475,913	Fiscal year ended March 31, 2022	47,721,660

*Summaries of financial statements are not subject to audit by certified public accountants or auditing corporations.

*Appropriate use of earnings forecast and other special notes

(Notes on forward-looking statements, etc.)

The above forecast is based on information available as of the date of publication of this document, and actual results may differ from the forecast due to various factors that may arise in the future. For the preconditions of the earnings forecast and the precautions in using the forecast, please refer to "1. Overview of Operating Results, etc. (4) Outlook" on page 4 of the Accompanying Materials.

(How to access supplementary materials for financial results)

Supplementary materials for financial results will be posted on the Company's website on May 11, 2023.

Accompanying Materials — Contents

1. Overview of Operating Results, etc.	2
(1) Overview of operating results for the fiscal year under review	2
(2) Overview of financial position for the fiscal year under review	3
(3) Overview of cash flows for the fiscal year under review	3
(4) Outlook	4
2. Basic Views on Selection of Accounting Standards.	4
3. Consolidated Financial Statements and Primary Notes	5
(1) Consolidated Balance Sheet.	5
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Income	7
Consolidated Statement of Comprehensive Income	8
(3) Consolidated Statement of Changes in Equity	9
(4) Consolidated Statement of Cash Flows.	11
(5) Notes to Consolidated Financial Statements	13
(Notes to going concern assumptions)	13
(Significant matters that serve as the basis for preparation of the consolidated financial statements)	13
(Changes in accounting policies)	16
(Changes in presentation method).	16
(Additional information)	16
(Consolidated balance sheet)	17
(Consolidated statement of income).	17
(Consolidated statement of changes in equity).	19
(Consolidated statement of cash flows).	20
(Segment information, etc.)	21
(Per share information).	25
4. Other.	26
(1) Sales by product category	26
(2) Sales by business format.	26

1. Overview of Operating Results, etc.

(1) Overview of operating results for the fiscal year under review

During the consolidated fiscal year ended March 31, 2023 (April 1, 2022 to March 31, 2023), consumption recovered mainly in the food service industry due primarily to the recovery of foot traffic accompanying the easing of COVID-19-related activity restrictions. However, the outlook remained uncertain due in part to concerns over a decline in appetite for spending as soaring energy and raw material prices, sharp yen depreciation, and other factors led to intermittent increases in food prices, making consumers even keener to defend their livelihoods.

Under such circumstances, the Mitsubishi Shokuhin Group worked to provide higher value-added functions and services in line with its mission to support the food supply chain.

In the consolidated fiscal year under review, net sales rose 2.1% year-on-year to ¥1,996,780 million as a recovery in some business formats driven primarily by the rebound of foot traffic offset the negative impact from factors such as a falloff in food demand for at-home consumption and a review of transactions. Operating profit increased 23.1% year-on-year to ¥23,433 million, reflecting factors such as improvements in profit margins stemming from tighter profitability management, recovery of transactions in commercial-use products, as well as the new inclusion of KCS Co., Ltd. in the scope of consolidation beginning in the consolidated fiscal year. Ordinary profit rose 23.7% year-on-year to ¥25,199 million, and profit attributable to owners of parent increased 22.8% year-on-year to ¥17,126 million.

Results by segment are as follows.

① Processed foods business

Sales in the processed foods business decreased partly due to a drop-off in food demand for at-home consumption and a review of transactions. Operating profit rose year-on-year mainly as a result of improvements in profitability accompanying a review of transactions.

As a result, the processed foods business generated sales of ¥659,230 million (-1.6% year-on-year) and operating profit of ¥5,761 million (+22.8% year-on-year).

② Frozen and chilled foods business

Sales in the frozen and chilled foods business increased on the back of growth in transactions with the food service industry, discount stores, and other customers, centering on commercial-use products. Operating profit was higher year-on-year, reflecting an increase in gross profit on a recovery in sales of commercial-use products, as well as the new inclusion of KCS Co., Ltd. in the scope of consolidation beginning in the current fiscal year.

As a result, the frozen and chilled foods business posted sales of ¥579,488 million (+6.9% year-on-year) and operating profit of ¥12,360 million (+34.4% year-on-year).

③ Alcoholic beverages business

Sales in the alcoholic beverages business rose, with a recovery in sales of commercial-use products and other factors making up for a decline in transactions with supermarkets and other retailers caused by a drop in demand for at-home drinking. Operating profit fell year-on-year mainly due to a decline in profit margins stemming from a change in sales mix by product category.

As a result, the alcoholic beverages business reported sales of ¥483,198 million (+2.6% year-on-year) and operating profit of ¥3,680 million (-1.7% year-on-year).

④ Confectionery business

Sales in the confectionery business increased owing mainly to a recovery in transactions with convenience stores. Operating profit grew year-on-year, reflecting an increase in gross profit accompanying a sales recovery since October, as well as improvements in profitability.

As a result, the confectionery business generated sales of ¥272,471 million (+1.1% year-on-year) and operating profit of ¥3,133 million (+4.3% year-on-year).

(2) Overview of financial position for the fiscal year under review

① Assets

Total assets at the end of the fiscal year under review amounted to ¥707,503 million, up ¥42,325 million from the end of the previous fiscal year. Current assets increased by ¥38,997 million to ¥553,839 million (78.3% of total assets), and non-current assets increased by ¥3,328 million to ¥153,663 million (21.7% of total assets).

The increase in current assets was due mainly to an expansion in accounts receivable-trade.

② Liabilities

Liabilities at the end of the fiscal year under review stood at ¥524,886 million (74.2% of total), up ¥29,999 million from the end of the previous fiscal year. Current liabilities increased by ¥26,900 million to ¥493,430 million (69.7% of total), and non-current liabilities increased by ¥3,098 million to ¥31,456 million (4.4% of total).

The increase in current liabilities was mainly due to an increase in accounts payable-trade.

③ Net assets

Net assets at the end of the fiscal year under review totaled ¥182,617 million (25.8% of total), up ¥12,325 million from the end of the previous fiscal year.

The increase was due mainly to growth in retained earnings.

As a result, net assets per share came to ¥4,203.59, up ¥295.27 from the end of the previous fiscal year. The equity ratio was 25.8%, up from 25.6% at the end of the previous fiscal year.

(3) Overview of cash flows for the fiscal year under review

① Overview of the consolidated fiscal year under review

Consolidated cash flows for the consolidated fiscal year under review are as follows.

(Rounded down to the nearest million yen)

	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023	Change
Cash flows from operating activities	19,284	24,505	5,221
Cash flows from investing activities	(11,831)	(11,239)	591
Cash flows from financing activities	(39,649)	(5,735)	33,913
Effect of exchange rate change on cash and cash equivalents	23	31	7
Net increase (decrease) in cash and cash equivalents	(32,172)	7,562	39,734
Cash and cash equivalents at end of period	63,963	71,525	7,562

(Cash flows from operating activities)

Net cash provided by operating activities was ¥24,505 million. This was mainly attributed to ¥24,973 million in profit before income taxes.

(Cash flows from investing activities)

Net cash used in investing activities was ¥11,239 million. This was primarily the result of ¥6,338 million used for the purchase of property, plant and equipment.

(Cash flows from financing activities)

Net cash used in financing activities was ¥5,735 million. This mainly reflected ¥3,918 million in dividends paid and ¥1,313 million in repayments of lease obligations.

As a result, cash and cash equivalents at end of period totaled ¥71,525 million.

② Cash flow-related indicators

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Equity ratio (%)	28.8	25.6	25.8
Equity ratio based on market capitalization (%)	25.8	19.7	20.0
Interest-bearing debt to cash flow ratio (%)	40.2	46.7	33.6
Interest coverage ratio	127.1	116.2	166.9

Note: Equity ratio: Equity capital / Total assets

Equity ratio based on market capitalization: Total market capitalization / Total assets

Interest-bearing debt to cash flow ratio: interest-bearing debt / cash flow

Interest coverage ratio: cash flow / interest payments

*All indicators are calculated based on consolidated financial figures.

*Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year by the number of shares outstanding (that does not include treasury stock) at end of period.

*For cash flow, operating cash flow as reported in the consolidated statement of cash flows is used. Interest-bearing debt consists of all liabilities on the consolidated balance sheet for which interest is paid. Interest payments are based on interest paid as reported in the consolidated statement of cash flows.

(4) Outlook

Looking ahead, the Company thinks socio-economic activity in Japan will gradually normalize, aided by a full-scale recovery in foot traffic. However, it expects conditions that prevent optimism to persist as food price hikes due to cost increases will continue in the foreseeable future, driven by a combination of high energy and raw material prices, elevated wages, and labor shortages, leading to the further polarization of consumption.

Under these circumstances, the Group will continue its efforts to gain the trust of its customers and remain their preferred choice by offering more value-added functions and services. As a “food life partner” to consumers, it will work to further contribute to “the realization of a sustainable society through the food business.”

For the next fiscal year, we forecast net sales of ¥2,020,000 million, operating profit of ¥24,300 million, ordinary profit of ¥26,000 million, and profit attributable to owners of parent of ¥17,500 million.

2. Basic Views on Selection of Accounting Standards

As most of the Group's stakeholders are domestic shareholders, creditors, business partners, etc., and there is little need to raise funds from overseas, we use Japanese GAAP as our accounting standard.

With regard to the adoption of IFRS (International Financial Reporting Standards), we intend to take appropriate measures while taking into consideration various developments in Japan and overseas.

3. Consolidated Financial Statements and Primary Notes

(1) Consolidated Balance Sheet

(Millions of yen)

	Fiscal year ended March 31, 2022 (as of March 31, 2022)	Fiscal year ended March 31, 2023 (as of March 31, 2023)
Assets		
Current assets		
Cash and deposits	205	443
Notes receivable - trade	510	721
Accounts receivable - trade	317,160	337,301
Merchandise and finished goods	68,706	75,812
Raw materials and supplies	872	1,083
Accounts receivable - other	^{*1} 52,483	^{*1} 53,128
Short-term loans receivable	63,757	71,082
Other	11,403	14,542
Allowance for doubtful accounts	(256)	(275)
Total current assets	514,842	553,839
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	31,269	32,895
Machinery, equipment and vehicles, net	10,197	10,468
Tools, furniture and fixtures, net	2,299	2,028
Land	29,372	32,244
Leased assets, net	5,335	4,670
Construction in progress	999	761
Total property, plant and equipment	^{*2} 79,474	^{*2} 83,069
Intangible assets		
Goodwill	1,425	2,150
Software	17,123	15,711
Other	40	44
Total intangible assets	18,589	17,906
Investments and other assets		
Investment securities	^{*3} 28,892	^{*3} 28,515
Deferred tax assets	1,768	2,366
Retirement benefit asset	2,686	2,619
Other	19,012	19,278
Allowance for doubtful accounts	(87)	(92)
Total investments and other assets	52,271	52,687
Total non-current assets	150,335	153,663
Total assets	665,177	707,503

(Millions of yen)

	Fiscal year ended March 31, 2022 (as of March 31, 2022)	Fiscal year ended March 31, 2023 (as of March 31, 2023)
Liabilities		
Current liabilities		
Accounts payable - trade	402,495	421,898
Lease obligations	1,248	871
Accounts payable - other	32,272	35,837
Income taxes payable	4,219	5,176
Provision for bonuses	3,292	3,518
Provision for bonuses for directors (and other officers)	44	47
Asset retirement obligations	0	14
Other	22,955	26,066
Total current liabilities	466,529	493,430
Non-current liabilities		
Lease obligations	4,876	4,553
Deferred tax liabilities	148	118
Provision for share awards for directors (and other officers)	—	75
Provision for retirement benefits for directors (and other officers)	—	4
Retirement benefit liability	11,262	11,381
Asset retirement obligations	8,752	11,014
Other	3,317	4,308
Total non-current liabilities	28,357	31,456
Total liabilities	494,886	524,886
Net assets		
Shareholders' equity		
Share capital	10,630	10,630
Capital surplus	10,117	10,117
Retained earnings	140,584	153,792
Treasury shares	(0)	(339)
Total shareholders' equity	161,331	174,201
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,152	7,923
Deferred gains or losses on hedges	123	(6)
Foreign currency translation adjustment	172	100
Remeasurements of defined benefit plans	376	376
Total accumulated other comprehensive income	8,824	8,393
Non-controlling interests	135	22
Total net assets	170,291	182,617
Total liabilities and net assets	665,177	707,503

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Income

(Millions of yen)

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net sales	^{*1} 1,955,601	^{*1} 1,996,780
Cost of sales	1,820,441	1,849,334
Gross profit	135,160	147,445
Selling, general and administrative expenses	^{*2} 116,123	^{*2} 124,011
Operating profit	19,036	23,433
Non-operating income		
Interest income	74	65
Dividend income	657	693
Rental income from real estate	1,313	1,386
Other	1,250	1,494
Total non-operating income	3,295	3,640
Non-operating expenses		
Interest expenses	165	151
Loss on retirement of non-current assets	59	207
Real estate lease expenses	1,224	1,239
Other	510	276
Total non-operating expenses	1,960	1,874
Ordinary profit	20,371	25,199
Extraordinary income		
Gain on sale of investment securities	0	6
Gain on sale of non-current assets	^{*3} 211	^{*3} —
Gain on liquidation of investment securities	—	2
Gain on sale of golf membership	—	1
Total extraordinary income	211	10
Extraordinary losses		
Impairment losses	^{*4} 344	^{*4} 176
Loss on valuation of investment securities	—	37
Other	66	22
Total extraordinary losses	410	236
Profit before income taxes	20,172	24,973
Income taxes – current	6,550	8,202
Income taxes – deferred	(344)	(380)
Total income taxes	6,206	7,822
Profit	13,965	17,150
Profit attributable to non-controlling interests	16	24
Profit attributable to owners of parent	13,949	17,126

Consolidated Statement of Comprehensive Income

(Millions of yen)

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Profit	13,965	17,150
Other comprehensive income		
Valuation difference on available-for-sale securities	(2,729)	(229)
Deferred gains or losses on hedges	23	(129)
Foreign currency translation adjustment	19	31
Remeasurements of defined benefit plans	(50)	(101)
Share of other comprehensive income of entities accounted for using equity method	270	(2)
Total other comprehensive income	(2,466)	(431)
Comprehensive income	11,499	16,719
(Breakdown)		
Comprehensive income attributable to owners of parent	11,482	16,695
Comprehensive income attributable to non-controlling interests	16	24

(3) Consolidated Statement of Changes in Equity

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,630	33,387	144,128	(2,560)	185,585
Changes during period					
Dividends of surplus			(2,952)		(2,952)
Profit attributable to owners of parent			13,949		13,949
Purchase of treasury shares				(35,252)	(35,252)
Cancellation of treasury shares		(23,270)	(14,540)	37,811	—
Net changes in items other than shareholders' equity					—
Total changes during period	—	(23,270)	(3,543)	2,559	(24,254)
Balance at end of period	10,630	10,117	140,584	(0)	161,331

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	10,881	99	(81)	391	11,291	128	197,006
Changes during period							
Dividends of surplus							(2,952)
Profit attributable to owners of parent							13,949
Purchase of treasury shares							(35,252)
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	(2,729)	23	253	(14)	(2,466)	6	(2,460)
Total changes during period	(2,729)	23	253	(14)	(2,466)	6	(26,715)
Balance at end of period	8,152	123	172	376	8,824	135	170,291

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	10,630	10,117	140,584	(0)	161,331
Changes during period					
Dividends of surplus			(3,918)		(3,918)
Profit attributable to owners of parent			17,126		17,126
Purchase of treasury shares				(338)	(338)
Cancellation of treasury shares					—
Net changes in items other than shareholders' equity					—
Total changes during period	—	—	13,208	(338)	12,869
Balance at end of period	10,630	10,117	153,792	(339)	174,201

	Accumulated other comprehensive income					Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	8,152	123	172	376	8,824	135	170,291
Changes during period							
Dividends of surplus							(3,918)
Profit attributable to owners of parent							17,126
Purchase of treasury shares							(338)
Cancellation of treasury shares							—
Net changes in items other than shareholders' equity	(229)	(129)	(72)	(0)	(431)	(112)	(543)
Total changes during period	(229)	(129)	(72)	(0)	(431)	(112)	12,325
Balance at end of period	7,923	(6)	100	376	8,393	22	182,617

(4) Consolidated Statement of Cash Flows

(Millions of yen)

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Cash flows from operating activities		
Profit before income taxes	20,172	24,973
Depreciation	10,956	11,720
Impairment losses	344	176
Amortization of goodwill	326	397
Increase (decrease) in provision for retirement benefits for directors (and other officers)	—	(3)
Increase (decrease) in retirement benefit liability	(107)	118
Increase (decrease) in provision for share awards for directors (and other officers)	—	75
Increase (decrease) in allowance for doubtful accounts	121	23
Interest and dividend income	(731)	(758)
Interest expenses	165	151
Share of loss (profit) of entities accounted for using equity method	(316)	(273)
Loss (gain) on sale of property, plant and equipment	(199)	(5)
Loss (gain) on sale of investment securities	31	(6)
Loss (gain) on sale of shares of subsidiaries	—	22
Decrease (increase) in trade receivables	(9,464)	(12,271)
Decrease (increase) in inventories	(2,339)	(7,336)
Decrease (increase) in accounts receivable - other	1,178	(535)
Increase (decrease) in trade payables	6,716	12,339
Decrease (increase) in consumption taxes refund receivable	234	50
Increase (decrease) in accrued consumption taxes	7	872
Decrease (increase) in guarantee deposits on transactions	(107)	(62)
Decrease (increase) in investments in leases	(46)	66
Other	(2,892)	1,210
Subtotal	24,051	30,942
Interest and dividends received	1,053	1,090
Interest paid	(165)	(146)
Income taxes paid	(5,654)	(7,380)
Net cash provided by (used in) operating activities	19,284	24,505

(Millions of yen)

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,450)	(6,338)
Proceeds from sale of property, plant and equipment	658	7
Purchase of intangible assets	(3,460)	(2,524)
Purchase of investment securities	(1,205)	(96)
Proceeds from sale of investment securities	40	62
Purchase of shares of subsidiaries resulting in change in scope of consolidation	—	(2,016)
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	—	(9)
Payments of guarantee deposits	(136)	(216)
Proceeds from refund of guarantee deposits	766	456
Long-term loan advances	—	(80)
Other	(1,043)	(486)
Net cash provided by (used in) investing activities	(11,831)	(11,239)
Cash flows from financing activities		
Proceeds from short-term borrowings	—	21
Repayments of short-term borrowings	(74)	(48)
Repayments of lease liabilities	(1,360)	(1,313)
Dividends paid	(2,952)	(3,918)
Dividends paid to non-controlling interests	(10)	(18)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	—	(118)
Purchase of treasury shares	(35,252)	(338)
Net cash provided by (used in) financing activities	(39,649)	(5,735)
Effect of exchange rate change on cash and cash equivalents	23	31
Net increase (decrease) in cash and cash equivalents	(32,172)	7,562
Cash and cash equivalents at beginning of period	96,135	63,963
Cash and cash equivalents at end of period	* 63,963	* 71,525

(5) Notes to Consolidated Financial Statements

(Notes to going concern assumptions)

None to be reported.

(Significant matters that serve as the basis for preparation of the consolidated financial statements)

1. Scope of consolidation

Consolidated subsidiaries: 12 companies

Major companies

KCS Co., Ltd.

Fine Life Co., Ltd.

RYOSHOKU PETCARE LIMITED

MC FOODS LIMITED

Croco Co., Ltd.

7 other companies

During the consolidated fiscal year under review, KCS Co., Ltd. and Retail Media Co., Ltd. were included in the scope of consolidation after the Company acquired all their shares.

In addition, Guang Zhou Guang Ling Food Trade Co., Ltd., which was a consolidated subsidiary in the previous fiscal year, was excluded from the scope of consolidation after the Company sold all its shares in the subsidiary. Guang Zhou Guang Ling Food Trade Co., Ltd. is not included in the number of consolidated subsidiaries above, but its statement of income was consolidated until it was excluded from the scope of consolidation.

Furthermore, KYOEI TRADING Co.,Ltd,. was excluded from the scope of consolidation because it merged with Annkiky Kyoei Co., Ltd.

2. Application of equity method

(1) Equity-method affiliates: 2 companies

Company names

Retail Support International

Retail Support (Thailand) Co., Ltd.

(2) Non-equity-method affiliates

Non-equity-method affiliates: 2 companies

Japan Inforex, Inc.

ASC Co., Ltd.

Non-equity-method affiliates are excluded from the scope of equity-method affiliates because their profits or losses (amount corresponding to equity interest) and retained earnings (amount corresponding to equity interest) have a minimal impact on the consolidated financial statements and lack overall materiality.

3. Fiscal years, etc. of consolidated subsidiaries

Of the consolidated subsidiaries, the fiscal year end of MS FOODS USA INC. is December 31.

In preparing the consolidated financial statements, the financial statements of these subsidiaries as of their fiscal year-end are used. However, we have made adjustments necessary for consolidation with respect to significant transactions that occurred between January 1 and the consolidated fiscal year-end of March 31.

4. Accounting policies

(1) Valuation standards and methods for significant assets

① Securities

Available-for-sale securities

Other than available-for-sale securities, etc. without market value

Stated at market value based on the market price as of the end of the fiscal year (with any unrealized gains or losses reported directly as a component of net assets and the cost of securities sold calculated by the moving average method)

Available-for-sale securities, etc. without market value

Stated at cost using the moving average method

② Derivatives

Stated at market value

Hedge accounting method is used for forward exchange contracts that meet the requirements for hedge accounting as described in "(6) Accounting method for significant hedging transactions."

③ Inventories

Mainly stated at cost using the first-in, first-out method (the amounts of inventories on the balance sheet are determined by the write-down method reflecting decreased profitability).

(2) Depreciation method for significant assets

① Property, plant and equipment (excluding leased assets)

The straight-line method is applied to buildings (excluding facilities attached to buildings) and facilities attached to buildings and structures acquired on or after April 1, 2016, and the declining-balance method is applied to other tangible fixed assets.

The useful lives of property, plant and equipment are as follows.

Buildings and structures: 8 to 50 years

Machinery, equipment and vehicles: 4 to 15 years

② Intangible assets (excluding leased assets)

The straight-line method is applied.

Software for internal use is amortized over the estimated useful life (5 to 10 years) based on the straight-line method.

③ Leased assets

The straight-line method is used, assuming the lease period to be the useful life and the residual value to be zero.

Of finance lease transactions not involving transfer of ownership, lease transactions which started before the beginning of the initial fiscal year of application of the lease accounting standards are accounted for in accordance with the method applicable to ordinary lease transactions.

(3) Accounting standards for significant provisions

① Allowance for doubtful accounts

To prepare for losses from uncollectible receivables, estimates of uncollectible amounts are recorded based on historical loan-loss ratios for general receivables and on consideration of individual assessments of collectability for suspected bad debt or other specific receivables.

② Provision for bonuses

The estimated amount of bonus payment is recorded to prepare for the payment of employee bonuses.

③ Provision for bonuses for directors (and other officers)

The estimated amount of bonuses to be paid to directors and other officers is recorded to prepare for the payment of directors' bonuses.

④ Provision for share awards for directors (and other officers)

To deliver shares of the Company through the Board Incentive Plan (BIP) Trust, estimated future payments for shares are recorded in accordance with the points allotted to directors and executive officers (excluding external directors, non-permanent directors, secondees from other companies, and non-residents of Japan) based on the Share Delivery Regulations.

⑤ Provision for retirement benefits for directors (and other officers)

At certain consolidated subsidiaries, to prepare for the payment of retirement benefits for directors (and other officers), a provision for retirement benefits for directors (and other officers) is recorded in the amount payable at each year-end in accordance with the internal rules.

(4) Accounting treatment method for retirement benefits

① Method for period attribution of retirement benefit estimates

In calculating retirement benefit obligations, the benefit formula standard is used as the basis for attributing the estimated amount of retirement benefits to the period up to the end of the fiscal year under review.

② Method for amortization of actuarial differences and past service costs

Past service costs are amortized using the straight-line method over a certain number of years (mainly 10 years) within the average remaining service period of the eligible employees at the time of accrual.

Actuarial differences are amortized using the straight-line method from the following fiscal year over a period within the average remaining service period of employees (mainly 10 years).

③ Adoption of the simplified method for small companies

In calculating retirement benefit liability and retirement benefit expenses, some consolidated subsidiaries apply the simplified method to calculate amounts of provision for retirement benefits and retirement benefit expenses.

That is, the amount of retirement benefit obligations are the payments required for voluntary retirement as of each fiscal year end.

(5) Accounting standards for significant revenues and expenses

The Group primarily sells processed foods, frozen and chilled foods, alcoholic beverages, and confectionery. For the sale of these products, the Group considers that the performance obligation is satisfied when the customer is deemed to have acquired control over the products. Specifically, the Group recognizes revenue when the products are delivered to the customer. In addition, revenue is recognized at the amount of consideration promised in the contract with the customer, less discounts, rebates, returns, and a portion of office expenses. The consideration for performance obligations is received primarily within one year of satisfaction of the performance obligation and does not include a significant financial component.

In identifying performance obligations, the Company considers whether the Group is transacting as a party or as an agent, whether it has primary responsibility for providing goods or services to customers, whether it bears inventory risk, and whether it has discretionary power in setting sales prices. When the Group acts as an agent in a transaction, revenue is recognized at the net amount of the total consideration from the customer less the amount paid to the supplier. Transactions as an agent are included in all segments.

(6) Accounting method for significant hedging transactions

① Hedging method

The deferred hedge accounting method is used. However, the designated hedge accounting treatment is applied to forward exchange contracts that qualify for designated hedge accounting.

② Hedging instruments and hedged items

Hedging instruments

Forward exchange contracts

Hedged items

Foreign currency-denominated trade payables and planned foreign currency-denominated purchases

③ Hedging policy

The Company enters into forward exchange contract transactions to hedge the risk of future fluctuations in foreign exchange rates within the scope of normal purchase transactions in accordance with the regulations concerning forward exchange contracts.

④ Evaluation of hedge effectiveness

The assessment of effectiveness is omitted as the material terms of the hedging instruments and hedged items match and the correlation of foreign exchange fluctuations is expected to be maintained on an ongoing basis.

(7) Goodwill amortization and amortization periods

Goodwill is amortized using the straight-line method over the period in which it is expected to be effective (within 20 years from the date of recognition).

However, goodwill that is deemed immaterial is fully amortized at the time it is recognized.

Merger of the Company and RY FOODS SERVICE LIMITED	20 years
Acquisition of shares in KCS Co., Ltd.	15 years
Other	5 years

(8) Scope of cash and cash equivalents in the consolidated statement of cash flows

Cash and cash equivalents in the consolidated statement of cash flows consist of cash on hand, deposits

drawable at any time, and short-term investments with maturities or redemption dates within 3 months of acquisition that are readily convertible into cash and are only exposed to negligible risk of changes in value.

(Changes in accounting policies)

(Application of Implementation Guidance on Accounting Standard for Fair Value Measurement)

The Company has adopted the “Implementation Guidance on Accounting Standard for Fair Value Measurement” (ASBJ Guidance No. 31, June 17, 2021; hereinafter referred to as the “Implementation Guidance on Accounting Standard for Fair Value Measurement”) from the beginning of the current consolidated fiscal year. Accordingly, the Company has decided to apply the new accounting policies prescribed by the Implementation Guidance on Accounting Standard for Fair Value Measurement into the future, in accordance with the transitional treatment set forth in Paragraph 27-2 of the Implementation Guidance on Accounting Standard for Fair Value Measurement. This change has no impact on the consolidated financial statements.

(Changes in presentation method)

(Consolidated balance sheet)

“Accounts payable-other,” which was included in “Other” under “Current liabilities” in the previous fiscal year, exceeded 5% of total assets, therefore, it is presented separately from the consolidated fiscal year under review. The consolidated financial statements for the previous fiscal year have been reconfigured to reflect this change in presentation method.

As a result, the ¥55,228 million presented in “Other” under “Current liabilities” in the consolidated balance sheet for the previous fiscal year has been reconfigured as ¥32,272 million in “Accounts payable-other” and ¥22,955 million in “Other.”

(Additional information)

(Performance-linked stock compensation plan for directors, etc.)

In the second quarter of the fiscal year under review, the Company introduced a new performance-linked stock compensation plan (hereafter, the “Plan”) for its directors and executive officers (excluding external directors, non-permanent directors, secondees from other companies, and non-residents of Japan; hereafter, collectively referred to as “Directors, etc.”) based on the resolution at the FY2021 General Meeting of Shareholders held on June 27, 2022. The purpose of the Plan is to motivate Directors, etc. to contribute to increasing corporate value over the medium to long term, and promote their sharing of profits and risks, as well as visions with shareholders and all other stakeholders.

Accounting procedures regarding the Plan are in accordance with the “Practical Solution on Transactions of Delivering the Company’s Own Stock to Employees, etc. through Trusts” (Practical Issues Task Force No. 30, March 26, 2015).

1. Overview of transactions

The Company will adopt the Board Incentive Plan (BIP) Trust scheme for the Plan. During the fiscal years covered by the Company’s medium-term management plan, the Company will deliver or grant its shares and cash equivalent to the converted value of such shares to Directors, etc., based on their position and degree of achievement of performance targets.

2. Remaining shares in the BIP Trust

The Company’s remaining shares held in the BIP Trust are recorded at their trust book value (excluding ancillary expenses) as treasury shares under net assets. As of the end of the fiscal year under review (March 31, 2023), the book value and number of such shares were ¥337 million and 98,900, respectively.

(Consolidated balance sheet)

Note 1: Amounts of rebates receivable, a major item under accounts receivable-other, are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (as of March 31, 2022)	Fiscal year ended March 31, 2023 (as of March 31, 2023)
Rebates receivable	51,127	51,234

Note 2: Accumulated depreciation

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (as of March 31, 2022)	Fiscal year ended March 31, 2023 (as of March 31, 2023)
Property, plant and equipment	78,135	83,002

Note 3: Items related to affiliated companies are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (as of March 31, 2022)	Fiscal year ended March 31, 2023 (as of March 31, 2023)
Investment securities (stocks)	1,151	1,102

4 Guarantee obligations

The Company guarantees the following affiliated companies' loans from financial institutions.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (as of March 31, 2022)	Fiscal year ended March 31, 2023 (as of March 31, 2023)
RETAIL SUPPORT(THAILAND) CO., LTD.	305	340

Note: Foreign currency-denominated guarantee obligations are converted into Japanese yen at the exchange rate at the time of account settlement.

(Consolidated statement of income)

Note 1: Revenue from contracts with customers

Net sales are not broken down into revenue from contracts with customers and other revenue. The amount of revenue from contracts with customers is presented in "Notes to Consolidated Financial Statements (Segment information, etc.) 3. Sales, profit or loss, assets, liabilities, and other items for each reportable segment, and breakdown of earnings."

Note 2: Major items and amounts under selling, general and administrative expenses are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Transportation and storage costs	56,325	59,432
Employees' salaries and allowances	26,642	28,231
Provision for bonuses	3,239	3,565
Provision for bonuses for directors (and other officers)	52	56
Provision for share awards for directors (and other officers)	—	75
Provision for retirement benefits for directors (and other officers)	—	0
Retirement benefit expenses	1,433	1,466

Note 3: Details of gain on sale of non-current assets are as follows.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Land	211	—

Note 4: Impairment losses

The Group recorded impairment losses on the following asset categories.

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

Application	Type	Location
Idle assets	Land and buildings, etc.	Kato City (Hyogo Prefecture) and 5 other locations

The Group categorizes its assets based on the units for which it is able to continuously monitor profits and losses. Specifically, for business assets, logistics centers serving specific customers are categorized individually, and other assets are categorized by geographic region based on managerial accounting classifications. In addition, lease assets, idle assets, and goodwill are categorized individually.

The book values of asset categories with declining profitability and assets and asset categories with significantly declining market value or no expected future use were reduced to their recoverable amounts, and the reduced amounts were recorded as an impairment loss (¥344 million) under extraordinary losses.

Impairment losses consisted of ¥344 million in idle assets (¥225 million in land, ¥54 million in buildings and structures, ¥29 million in machinery and equipment, and ¥33 million in other).

The recoverable amounts of these assets are determined based on their net realizable value, which is mainly assessed and calculated based on Real Estate Appraisal Standards, etc.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

Application	Type	Location
Business assets	Software, buildings, etc.	Nishinomiya City (Hyogo Prefecture) and 3 other locations
Idle assets	Buildings, etc.	Komaki City (Aichi Prefecture) and another location
Other	Goodwill	—

The Group categorizes its assets based on the units for which it is able to continuously monitor profits and losses. Specifically, for business assets, logistics centers serving specific customers are categorized individually, and other assets are categorized by geographic region based on managerial accounting classifications. In addition, lease assets, idle assets, and goodwill are categorized individually.

The book values of asset categories with declining profitability and assets and asset categories with significantly declining market value or no expected future use were reduced to their recoverable amounts, and the reduced amounts were recorded as an impairment loss (¥176 million) under extraordinary losses.

Impairment losses consisted of ¥118 million in business assets (including ¥55 million in software, ¥19 million in buildings and structures, and ¥43 million in other), ¥16 million in idle assets (including ¥7 million in buildings and structures and ¥8 million in other), and ¥41 million in goodwill.

The recoverable amounts for software were determined by valuing software deemed unlikely to be used in the future in systems of certain subsidiaries at zero. The recoverable amounts for other assets and asset categories were determined based on their net realizable value, which is mainly assessed and calculated based on Real Estate Appraisal Standards, etc.

Furthermore, the Company recorded an impairment loss equivalent to the full amount of goodwill as an extraordinary loss because the business environment changed from its initial expectations.

(Consolidated statement of changes in equity)

Consolidated fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

1. Type and number of issued shares and treasury shares

(1) Issued shares

Type of shares	Number of shares at the beginning of the consolidated fiscal year	Increase	Decrease	Number of shares at the end of the consolidated fiscal year
Common shares	58,125,490	—	14,588,290	43,537,200

(Overview of reasons for change)

The decrease was due to the cancellation of treasury shares (14,588,290 shares) in accordance with a resolution of the Board of Directors.

(2) Treasury shares

Type of shares	Number of shares at the beginning of the consolidated fiscal year	Increase	Decrease	Number of shares at the end of the consolidated fiscal year
Common shares	988,361	13,600,276	14,588,290	347

(Overview of reasons for change)

The increase was due to the acquisition of treasury shares (13,600,000 shares) in accordance with a resolution of the Board of Directors and the acquisition of shares less than one unit upon request (276 shares).

The decrease was due to the cancellation of treasury shares (14,588,290 shares) in accordance with a resolution of the Board of Directors.

2. Dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders held on June 28, 2021	Common shares	1,428	25.00	March 31, 2021	June 29, 2021
Board of Directors Meeting held on November 1, 2021	Common shares	1,523	35.00	September 30, 2021	December 3, 2021

(2) Dividends with a record date falling in the consolidated fiscal year under review and an effective date falling in the following consolidated fiscal year

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders held on June 27, 2022	Common shares	1,959	Retained earnings	45.00	March 31, 2022	June 28, 2022

Consolidated fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1. Type and number of issued shares and treasury shares

(1) Issued shares

Type of shares	Number of shares at the beginning of the consolidated fiscal year	Increase	Decrease	Number of shares at the end of the consolidated fiscal year
Common shares	43,537,200	—	—	43,537,200

(2) Treasury shares

Type of shares	Number of shares at the beginning of the consolidated fiscal year	Increase	Decrease	Number of shares at the end of the consolidated fiscal year
Common shares	347	99,041	—	99,388

Note: The number of treasury shares (common shares) includes the shares of the Company held in the Board Incentive Plan (BIP) Trust account (0 shares at the beginning of the consolidated fiscal year under review, 98,900 shares at the end of the consolidated fiscal year under review).

(Overview of reasons for change)

The increase was due to the acquisition of shares by the BIP Trust account (98,900 shares) and the acquisition of shares less than one unit upon request (141 shares).

2. Dividends

(1) Dividends paid

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders held on June 27, 2022	Common shares	1,959	45.00	March 31, 2022	June 28, 2022
Board of Directors Meeting held on November 1, 2022	Common shares	1,959	45.00	September 30, 2022	December 2, 2022

Note: The total amount of dividends resolved at the Board of Directors Meeting held on November 1, 2022, includes ¥4 million in dividends for the shares of the Company held in the Board Incentive Plan (BIP) Trust account.

(2) Dividends with a record date falling in the consolidated fiscal year under review and an effective date falling in the following consolidated fiscal year

(Resolution)	Type of shares	Total amount of dividends (millions of yen)	Source of dividends	Dividend per share (yen)	Record date	Effective date
General Meeting of Shareholders to be held on June 26, 2023	Common shares	2,829	Retained earnings	65.00	March 31, 2023	June 27, 2023

Note: The total amount of dividends resolved at the General Meeting of Shareholders to be held on June 26, 2023 includes ¥6 million in dividends for the shares of the Company held in the BIP Trust account.

(Consolidated statement of cash flows)

Note: Reconciliation of year-end balance of cash and cash equivalents and items in the consolidated balance sheet.

	(Millions of yen)	
	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Cash and deposits account	205	443
Short-term loans receivable	63,757	71,082
Cash and cash equivalents	63,963	71,525

(Segment information, etc.)

a. Segment information

1. Overview of reportable segments

The Group's reportable segments are constituent units of the Group for which separate financial information is available and which are evaluated regularly by the Board of Directors for the purpose of determining the allocation of management resources and assessing performance.

The Group is composed of several businesses such as the Processed foods business, the Frozen and chilled foods business, the Alcoholic beverages business, and the Confectionery business categorized by the products handled, which is aggregated into the above four business segments and presented as reportable segments.

The Processed foods business is engaged in the wholesale distribution of processed foods including seasonings, noodles and dried foods, and luxury foods and beverages, the Frozen and chilled foods business is engaged in the wholesale distribution of frozen and chilled products, the Alcoholic beverages business is engaged in the wholesale distribution of alcoholic beverages, and the Confectionery business is engaged in the wholesale distribution of confectionery.

2. Calculation methods for sales, profit or loss, assets, liabilities, and other items for each reportable segment

The accounting method for each business segment in the reportable segments is generally the same as that described in "Significant matters that serve as the basis for preparation of the consolidated financial statements."

Profit figures for reportable segments are based on operating profit.

Intersegment sales and transfers are based on reasonable internal transfer prices calculated based on prevailing market prices.

In addition, assets and liabilities are not allocated to each reportable segment as they cannot be allocated directly to each segment. Depreciation and impairment losses associated with each asset are allocated to each corresponding reportable segment in accordance with reasonable standards.

3. Sales, profit or loss, assets, liabilities, and other items for each reportable segment, and breakdown of earnings

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Reportable segments					Other*	Adjustments	Amount recorded on consolidated statement of income
	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectionery	Total			
Sales								
Revenue from contracts with customers	670,106	542,182	471,109	269,608	1,953,006	2,595	—	1,955,601
Other revenue	—	—	—	—	—	—	—	—
Sales generated through external customers	670,106	542,182	471,109	269,608	1,953,006	2,595	—	1,955,601
Intersegment sales and transfers	91	0	76	3	172	7,876	(8,048)	—
Total	670,197	542,183	471,186	269,611	1,953,178	10,472	(8,048)	1,955,601
Segment profit	4,691	9,197	3,745	3,004	20,638	301	(1,904)	19,036
Depreciation	3,368	4,447	1,240	1,635	10,691	268	(3)	10,956

Notes: The "Other" segment is not included in the reportable segments and contains the logistics business and other businesses.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Reportable segments					Other*	Adjustments	Amount recorded on consolidated statement of income
	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectionery	Total			
Sales								
Revenue from contracts with customers	659,230	579,488	483,198	272,471	1,994,388	2,391	—	1,996,780
Other revenue	—	—	—	—	—	—	—	—
Sales generated through external customers	659,230	579,488	483,198	272,471	1,994,388	2,391	—	1,996,780
Intersegment sales and transfers	165	11	119	2	298	8,567	(8,866)	—
Total	659,396	579,500	488,318	272,473	1,994,687	10,958	(8,866)	1,996,780
Segment profit	5,761	12,360	3,680	3,133	24,935	88	(1,590)	23,433
Depreciation	3,274	5,297	1,267	1,606	11,445	275	0	11,720

Notes: The "Other" segment is not included in the reportable segments and contains the logistics business and other businesses.

4. Difference between the total amount of reportable segments and the amount recorded in the consolidated financial statements and key details of differences (matters related to adjustment of differences)

Profit	(Millions of yen)	
	Fiscal year ended March 31, 2022	Fiscal year ended March 31, 2023
Total of reportable segments	20,638	24,935
Profit in the "Other" segment	301	88
Amortization of goodwill	(298)	(298)
Corporate-wide expenses	(1,606)	(1,292)
Operating profit on consolidated statement of income	19,036	23,433

b. Related information

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

1. Information by product and service

This information is omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Sales

Sales by region are omitted because sales generated through external customers in Japan account for more than 90% of net sales stated on the Company's consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment stated on the consolidated balance sheet.

3. Information by major customer

(Millions of yen)		
Customer name	Sales*	Name of related segment
Lawson, Inc.	305,521	Processed foods, frozen and chilled foods

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

1. Information by product and service

This information is omitted because the same information is disclosed in the segment information.

2. Information by region

(1) Sales

Sales by region are omitted because sales generated through external customers in Japan account for more than 90% of net sales stated on the Company's consolidated statement of income.

(2) Property, plant and equipment

This information is omitted because the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment stated on the consolidated balance sheet.

3. Information by major customer

(Millions of yen)

Customer name	Sales*	Name of related segment
Lawson, Inc.	320,509	Processed foods, frozen and chilled foods

c. Information regarding impairment losses on non-current assets by reportable segment

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectionery	Other	Corporate-wide and eliminations*	Total
Impairment losses	284	15	4	3	35	—	344

Note: The amount shown in "Corporate-wide and eliminations" is related to corporate-wide assets that do not belong to any reportable segment.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectionery	Other	Corporate-wide and eliminations*	Total
Impairment losses	42	125	7	1	—	—	176

Note: The amount shown in "Corporate-wide and eliminations" is related to corporate-wide assets that do not belong to any reportable segment.

d. Information regarding amortization of goodwill and unamortized balance by reportable segment

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

(Millions of yen)

	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectionery	Other	Corporate-wide and eliminations*	Total
Amortization for the year	—	28	—	—	—	298	326
Balance at end of period	—	84	—	—	—	1,341	1,425

Note: The amount shown in "Corporate-wide and eliminations" is the result of the merger between the Company and RY FOODS SERVICE LIMITED and cannot be allocated to any reportable segment.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

(Millions of yen)

	Processed foods	Frozen and chilled foods	Alcoholic beverages	Confectionery	Other	Corporate-wide and eliminations*	Total
Amortization for the year	—	99	—	—	—	298	397
Balance at end of period	—	1,107	—	—	—	1,043	2,150

Note: The amount shown in "Corporate-wide and eliminations" is the result of the merger between the Company and RY FOODS SERVICE LIMITED and cannot be allocated to any reportable segment.

e. Information regarding gain on bargain purchase by reportable segment

Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)

There are no applicable matters to report.

Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)

There are no applicable matters to report.

(Per share information)

	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Net assets per share	3,908.32 yen	4,203.59 yen
Earnings per share	292.31 yen	393.93 yen

Notes: 1. Diluted earnings per share is not shown as there are no dilutive shares.

2. In the calculation of net assets per share, the shares of the Company held in the Board Incentive Plan (BIP) Trust account are included in the treasury shares deducted from the total number of issued shares at the end of the period (previous fiscal year: 0 shares; consolidated fiscal year under review: 98,900 shares). In addition, in the calculation of earnings per share, the shares held in the BIP Trust account are included in the treasury shares deducted in the calculation of the average number of shares outstanding during the period (previous fiscal year: 0 shares; consolidated fiscal year under review: 60,861 shares).

3. The basis of calculation for earnings per share is as follows:

		Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)	Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)
Profit attributable to owners of parent	(millions of yen)	13,949	17,126
Amount not attributable to common shareholders	(millions of yen)	—	—
Profit attributable to owners of parent with respect to common stock	(millions of yen)	13,949	17,126
Average number of shares outstanding during period	(number of shares)	47,721,660	43,475,913

4. Other

(1) Sales by product category

(Rounded down to the nearest million yen)

Product category	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)		Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	
	Amount	% of total sales	Amount	% of total sales
Canned foods and seasonings	238,389	12.2	239,176	12.0
Noodles and dried foods	140,693	7.2	142,552	7.1
Luxury foods and beverages	231,680	11.8	221,183	11.1
Confectionery	268,907	13.8	271,944	13.6
Frozen and chilled foods	452,023	23.1	477,327	23.9
Beer	247,553	12.7	253,176	12.7
Other alcoholic beverages	202,068	10.3	208,127	10.4
Others	174,285	8.9	183,290	9.2
Total	1,955,601	100.0	1,996,780	100.0

(2) Sales by business format

(Rounded down to the nearest million yen)

Business format	Fiscal year ended March 31, 2022 (from April 1, 2021 to March 31, 2022)		Fiscal year ended March 31, 2023 (from April 1, 2022 to March 31, 2023)	
	Amount	% of total sales	Amount	% of total sales
Wholesalers	166,964	8.5	197,661	9.9
Supermarkets	968,011	49.5	944,271	47.3
Convenience stores	361,737	18.5	370,242	18.6
Drugstores	155,441	8.0	166,691	8.3
Users	33,052	1.7	42,686	2.1
Other direct sales	225,592	11.5	223,491	11.2
(Total of direct sales)	1,743,835	89.2	1,747,383	87.5
Manufacturers and others	44,800	2.3	51,735	2.6
Total	1,955,601	100.0	1,996,780	100.0

Notes: 1. Users are businesses that provide food and beverage services directly to consumers, such as restaurants and food service operators that provide home-meal replacements and school lunches.

2. Other direct sales include discount stores, e-commerce operators, home improvement stores, department stores, etc.