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Consolidated Financial Results for the First Quarter of Fiscal 2024 [Japanese GAAP]

July 27, 2023

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
Code: 2002
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Date to submit the Quarterly Securities Report: August 7, 2023
Date to start distributing dividends: —
Supplementary materials for these consolidated financial results: Yes
Results briefing for financial results: None

(Figures shown are rounded down to the nearest million yen.)

1. Consolidated Financial Results for the First Quarter of Fiscal 2024 (April 1, 2023 to June 30, 2023)

(1) Consolidated Business Results

(The percentages indicate the rates of increase or decrease compared with the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First three months of Fiscal 2024	208,191	10.0	11,860	33.9	13,099	32.1	8,742	38.6
First three months of Fiscal 2023	189,296	18.9	8,859	20.8	9,919	12.3	6,306	13.9

(Note) Comprehensive income: First three months of Fiscal 2024: ¥31,434 million (up 73.7%)
First three months of Fiscal 2023: ¥18,096 million (up 723.6%)

	Earnings per share	Fully diluted earnings per share
	Yen	Yen
First three months of Fiscal 2024	29.40	—
First three months of Fiscal 2023	21.21	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
June 30, 2023	742,126	463,525	60.4
March 31, 2023	713,874	438,499	59.4

(Reference) Equity capital: June 30, 2023: ¥448,465 million March 31, 2023: ¥423,833 million

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2023	—	19.00	—	21.00	40.00
Fiscal 2024	—				
Fiscal 2024 (forecast)		20.00	—	21.00	41.00

(Note) Revision to the latest forecast of dividends: None

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(The full-year percentages indicate the rates of increase or decrease compared with the previous fiscal year, the percentages for the first half are comparisons with the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
First half	410,000	5.5	19,000	19.3	19,200	11.5	12,500	—	42.03
Full year	820,000	2.7	39,000	18.8	39,500	19.5	26,000	—	87.43

(Note) Revision to the latest forecast of financial results: None

* Notes

(1) Changes in important subsidiaries during the first three months of the fiscal year ending March 31, 2024 (changes in specified subsidiaries involving a change in the scope of consolidation): None

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and revisions restated

1) Changes in accounting policies associated with the revisions of accounting standards, etc.: None

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

3) Changes in accounting estimates: None

4) Revisions restated: None

(4) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding (including treasury shares)	As of June 30, 2023	304,357,891	As of March 31, 2023	304,357,891
2) Number of treasury shares	As of June 30, 2023	6,970,626	As of March 31, 2023	6,979,939
3) Average number of shares outstanding	First three months of Fiscal 2024	297,379,840	First three months of Fiscal 2023	297,396,837

* Quarterly earnings reports are not subject to quarterly review by certified public accountants or independent account auditors.

* Statement regarding the proper use of financial forecasts and other special remarks

The statements contained in this document are based on various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related business policies will actually be realized.

Quarterly Consolidated Financial Statements and Related Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2023 (As of March 31, 2023)	Fiscal 2024 First Quarter (As of June 30, 2023)
Assets		
Current assets		
Cash and deposits	82,971	75,666
Notes and accounts receivable – trade, and contract assets	107,887	107,156
Securities	–	406
Inventories	128,786	134,268
Other	11,065	16,363
Allowance for doubtful accounts	(641)	(683)
Total current assets	330,069	333,178
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,134	73,111
Machinery, equipment and vehicles, net	60,212	62,895
Land	52,618	53,040
Right-of-use assets	17,060	17,930
Other, net	16,468	17,732
Total property, plant and equipment	217,494	224,710
Intangible assets		
Goodwill	7,496	7,173
Other	16,180	16,338
Total intangible assets	23,677	23,512
Investments and other assets		
Investment securities	124,653	142,389
Other	18,180	18,537
Allowance for doubtful accounts	(200)	(202)
Total investments and other assets	142,633	160,724
Total non-current assets	383,805	408,947
Total assets	713,874	742,126

(Millions of yen)

	Fiscal 2023 (As of March 31, 2023)	Fiscal 2024 First Quarter (As of June 30, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	74,565	73,678
Short-term loans payable	14,356	14,808
Income taxes payable	8,941	2,978
Accrued expenses	23,247	20,333
Other	29,150	34,988
Total current liabilities	150,262	146,788
Non-current liabilities		
Bonds	20,000	20,000
Long-term loans payable	13,378	13,161
Lease obligations	37,311	39,247
Deferred tax liabilities	22,097	27,220
Provision for repairs	1,562	1,572
Net defined benefit liability	23,422	23,351
Other	7,341	7,257
Total non-current liabilities	125,112	131,812
Total liabilities	275,375	278,600
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	12,728	12,731
Retained earnings	325,181	327,606
Treasury shares	(10,989)	(10,973)
Total shareholders' equity	344,037	346,482
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52,044	64,088
Deferred gains or losses on hedges	(13)	523
Foreign currency translation adjustment	28,352	37,926
Remeasurements of defined benefit plans	(588)	(555)
Total accumulated other comprehensive income	79,795	101,983
Subscription rights to shares	44	40
Non-controlling interests	14,621	15,019
Total net assets	438,499	463,525
Total liabilities and net assets	713,874	742,126

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

[Quarterly Consolidated Statements of Income]

(Millions of yen)

	First three months of Fiscal 2023 (April 1, 2022 to June 30, 2022)	First three months of Fiscal 2024 (April 1, 2023 to June 30, 2023)
Net sales	189,296	208,191
Cost of sales	148,676	164,437
Gross profit	40,619	43,753
Selling, general and administrative expenses	31,759	31,892
Operating profit	8,859	11,860
Non-operating income		
Interest income	44	83
Dividend income	1,380	1,069
Share of profit of entities accounted for using equity method	112	376
Other	443	763
Total non-operating income	1,981	2,293
Non-operating expenses		
Interest expenses	807	906
Other	114	148
Total non-operating expenses	921	1,054
Ordinary profit	9,919	13,099
Extraordinary income		
Gain on sale of investment securities	–	72
Total extraordinary income	–	72
Extraordinary losses		
Loss on retirement of non-current assets	54	80
Expenses related to change of the company name	72	–
Total extraordinary losses	126	80
Profit before income taxes	9,793	13,091
Total income taxes	3,137	3,999
Profit	6,655	9,091
Profit attributable to non-controlling interests	349	348
Profit attributable to owners of parent	6,306	8,742

[Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	First three months of Fiscal 2023 (April 1, 2022 to June 30, 2022)	First three months of Fiscal 2024 (April 1, 2023 to June 30, 2023)
Profit	6,655	9,091
Other comprehensive income		
Valuation difference on available-for-sale securities	(61)	11,957
Deferred gains or losses on hedges	159	447
Foreign currency translation adjustment	10,901	9,682
Remeasurements of defined benefit plans	59	42
Share of other comprehensive income of entities accounted for using equity method	380	212
Total other comprehensive income	11,440	22,343
Comprehensive income	18,096	31,434
(Breakdown)		
Comprehensive income attributable to owners of parent	16,880	30,930
Comprehensive income attributable to non-controlling interests	1,215	504

[Segment Information, etc.]

[Segment information]

I. First three months of Fiscal 2023 (April 1, 2022 to June 30, 2022)

Information about net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on quarterly consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	96,949	46,736	35,414	179,100	10,195	189,296	–	189,296
Intersegment sales and transfers	4,933	457	1,254	6,645	731	7,377	(7,377)	–
Total	101,882	47,194	36,669	185,745	10,927	196,673	(7,377)	189,296
Segment profit	3,727	2,896	652	7,276	1,609	8,886	(26)	8,859

- Notes: 1. Business segment of “Others” is excluded from reportable segment, which includes engineering, mesh cloths, handling and storage businesses.
2. Segment profit adjustment refers to intersegment transaction eliminations and other.
3. Segment profit has been adjusted for the operating profit appearing in the quarterly consolidated statements of income.

II. First three months of Fiscal 2024 (April 1, 2023 to June 30, 2023)

Information about net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on quarterly consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	111,672	49,756	37,370	198,799	9,391	208,191	–	208,191
Intersegment sales and transfers	4,898	489	1,166	6,554	551	7,106	(7,106)	–
Total	116,570	50,246	38,537	205,354	9,942	215,297	(7,106)	208,191
Segment profit	6,870	2,281	1,438	10,590	1,154	11,744	115	11,860

- Notes: 1. Business segment of “Others” is excluded from reportable segment, which includes engineering, mesh cloths, handling and storage businesses.
2. Segment profit adjustment refers to intersegment transaction eliminations and other.
3. Segment profit has been adjusted for the operating profit appearing in the quarterly consolidated statements of income.