

Consolidated Financial Report for the 2nd Quarter of the Fiscal Year 2023 (April 1, 2023, through September 30, 2023)

Qualification: This is directly translated into English for readers' convenience, and all financial results conform with the accounting principles generally accepted in Japan.

Company: **Nissui Corporation**

Listed on Tokyo Stock Exchange with the register code 1332

<https://www.nissui.co.jp/english/index.html>

1. Consolidated Financial Data of 2nd Quarter of FY2023

(1) Consolidated Financial Results (For six months ended September 30, 2023)

(Amounts less than one million yen are omitted.)

(Each percentage figure shows changes from the previous year.)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
2nd Quarter of FY2023	407,134	7.9	16,275	22.1	17,018	15.6	11,685	(0.5)
2nd Quarter of FY2022	377,207	11.1	13,332	(3.8)	14,716	(8.9)	11,747	3.0

(Note) Comprehensive income of 2nd quarter of FY2023 24,874 Million yen ((11.0)%)

2nd quarter of FY2022 27,937 Million yen (65.6%)

	Earnings per share	Diluted income per share
	Yen	Yen
2nd Quarter of FY2023	37.55	-
2nd Quarter of FY2022	37.75	-

(2) Consolidated Financial Position of 2nd Quarter

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
2nd Quarter of FY2023	603,589	246,688	39.6
FY2022	549,013	220,635	39.5

Ref.): Total shareholders' equity

As of September 30, 2023 238,860 Million yen

As of March 31, 2023 216,843 Million yen

2. Dividend

	Dividend per share				
	1Q	2Q	3Q	Final	Annual
	Yen	Yen	Yen	Yen	Yen
FY2022	-	8.0	-	10.0	18.0
FY2023	-	10.0	-	-	-
FY2023 (forecast)	-	-	-	10.0	20.0

(Note) Revision to dividend forecast during the current quarter: None

3. Consolidated Forecast for FY2023 (April 1, 2023, through March 31, 2024)

	Net Sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	yen
FY2023	820,000	6.7	27,000	10.3	29,000	4.4	21,500	1.3	69.08

(Note) Revision during the current quarter to the consolidated forecast for FY2023: Yes

* Notes

- 1) Changes in the scope of consolidation due to the transfer of significant subsidiaries during the term: None
- 2) Adoption of accounting treatment unique to the preparation of quarterly consolidated financial statements: None
- 3) Changes in accounting policy, Changes in accounting estimate, and restatement:
 - i. Changes in accounting policy associated with the revision of the accounting standard, etc.: None
 - ii. Changes in accounting policy other than those stated above: None
 - iii. Changes in accounting estimate: None
 - iv. Restatement: None
- 4) Number of issued shares (Common stock)

- i. Number of issued shares at the end of the term (Including treasury stock)
- ii. Number of treasury stock at the end of the term
- iii. The average number of shares during the term (For the current consolidated second quarter)

2Q of FY2023	312,430,277	FY2022	312,430,277
2Q of FY2023	1,198,523	FY2022	1,196,828
2Q of FY2023	311,232,555	2Q of FY2022	311,235,777

(Note) Nissui has introduced the “Board Benefit Trust (BBT)” as its performance-linked and share-based compensation plan since FY2018, and its own shares remaining in the Trust are included as treasury shares. The number of treasury stocks at the end of the term and the average number of shares during the term is 223,600.

* The summary of financial results is not subject to audits.

* Explanation of the proper use of the forecasts and other noteworthy items

This report’s performance forecasts are based on information available at present, and certain premises are thought to be reasonable. Accordingly, the results may change substantially due to various factors. For conditions from which the premises for the forecasts were derived and the other noteworthy items relating to the use of the forecasts, please refer to “(3) Explanation of the Consolidated Financial Forecasts” on page 7 of the Summary of 2nd Quarter Report for the Fiscal Year 2023(Appendix).

1. Qualitative information for the 2nd quarter of the fiscal year ending March 31, 2024

(1) Explanation of consolidated financial results

During the 2nd quarter of the fiscal year, there were concerns about the outlook of the Japanese economy due to factors such as inflation caused by the prolonged situation in Ukraine and other uncertainties. However, there were positive signs of improvement in the economic environment, driven by the transition of COVID-19 to a level 5 infectious disease and the extension of nationwide travel support, which led to the recovery of human flow and inbound demand.

Regarding the global economy during the consolidated period from January to June, the United States continued to see improvements in the employment environment and an increase in personal consumption, while in Europe, the service industry performed well, driven by an increase in human flows, including the recovery of inbound demand. However, Europe and the United States faced a challenging situation with high inflation and ongoing policy interest rate hikes.

Currently, in Japan, there are concerns about an economic slowdown due to increasing geopolitical risks, such as rising oil prices, leading to a resurgence of inflation. There are expectations for the recovery of domestic socio-economic activities and inbound demand. However, there are also concerns about the adverse effects on the economy due to a rapid depreciation of the yen, making the situation increasingly uncertain.

For our company and its group, the Food Products business, struggling with cost increases since the previous year, saw the positive effects of domestic and international price hikes, resulting in a profit rise. In the Marine Products business, profit decreased as the market prices of our main products, such as salmon and surimi, decreased. Meanwhile, farmed buri yellowtail sold well in Japan.

In the current situation, our consolidated business performance for the 2nd quarter cumulative period is as follows: net sales were 407,134 million yen, up 29,927 million yen year-on-year; operating profit was 16,275 million yen, up 2,942 million yen year-on-year; ordinary profit was 17,018 million yen, up 2,301 million yen year-on-year; and the profit attributable to the owners of the parent company was 11,685 million yen, down 62 million yen year-on-year. Gain on sales of shares of one of our consolidated subsidiaries, Nissui Pharmaceutical Co., Ltd. (now Shimadzu Diagnostics Corporation), was posted in the 1st half.

(Unit: million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent
2Q of FY2023	407,134	16,275	17,018	11,685
2Q of FY2022	377,207	13,332	14,716	11,747
Difference	29,927	2,942	2,301	(62)
Percentage difference (%)	107.9%	122.1%	115.6%	99.5%

The summary by segment is as follows.

(Unit: million yen)

	Net Sales	Increase /Decrease (Y-on-Y)	Y-on-Y	Operating Profit & loss	Increase /Decrease (Y-on-Y)	Y-on-Y
Marine Products	163,253	5,799	103.7%	5,513	(2,712)	67.0%
Food Products	219,113	31,732	116.9%	14,152	7,207	203.8%
Fine Chemicals	7,930	(9,188)	46.3%	(33)	(1,835)	-
General Distribution	7,797	(234)	97.1%	895	17	102.0%
Other (Note)	9,038	1,818	125.2%	369	(36)	91.0%
Common Costs	-	-	-	(4,622)	302	93.9%
Total	407,134	29,927	107.9%	16,275	2,942	122.1%

(Note) "Other" refers to Engineering (planning, design, construction of plants and equipment) business, Ship Operation Business, etc.

(1) Marine Products Business

The Marine Products segment is engaged in the fishery, aquaculture, and seafood processing and trading businesses.

<Overview of the second quarter of the consolidated fiscal >

We recorded 163,253 million yen (up 5,799 million yen year-on-year) in sales and operating profit of 5,513 million yen (down 2,712 million yen year-on-year) in the Marine Products Business.

Fishery Business: Both sales and profit increased year on year.

[Japan]

- Both sales and profit increased as sardines, mackerel, etc., caught well.

Aquaculture Business: Both sales and profit increased year on year.

[Japan]

- From the beginning of autumn, we anticipated increased supply from competitors in farmed yellowtail. Therefore, we leveraged the advantage of full aquaculture to supply high-quality yellowtails earlier in the spring and summer. Furthermore, through operational improvements in the cultivation of coho salmon, we achieved increased yields without mortality or growth delays. In addition to this, the strong pricing of farmed tuna contributed to sales and profit growth.

[South America]

- Sales increased due to improvements in survival rates and an increase in volume, resulting from enhancements in the breeding environment, especially in the context of a rising fish price market condition. However, profit decreased due to a negative impact on the evaluation of fish in the pond (Note 1) as the salmon/trout market entered an adjustment situation toward the end of the second quarter.

Seafood Processing and Trading Business: Sales increased, but profit decreased year on year.

[Japan]

- Sales of processed food products for commercial use and the industrial lunch menus began to show the effects of price increases. Additionally, sales of domestically farmed buri-yellowtail, fish oil, and fish meal performed well. However, market conditions for key products such as salmon, trout, surimi, and imported frozen tuna entered an adjustment phase, and reduced purchases were observed, resulting in a decline in both sales and profit.

[North America]

- An increase in the catch quota for Alaskan pollock resulted in an increase in production volume. However, rising costs, such as labor expenses and decreased surimi and fillet prices, led to higher sales but lower profits.

[Europe]

- Profit decreased due to a write-down of inventories of pollock, as cargo movement slowed down as the fishery market entered an adjustment situation.

(2) Food Products Business

The Food Products segment is engaged in the food processing and chilled foods businesses.

<Overview of the second quarter of the consolidated fiscal year>

We recorded 219,113 million yen (up 31,732 million yen year-on-year) in sales and an operating profit of 14,152 million yen (up 7,207 million yen year-on-year) in the Food Products Business.

Processed Foods Business: Both sales and profit increased year on year.

[Japan]

- Both sales and profit increased as we improved our profit structure by price increase for household and commercial use. Sales of frozen food for restaurants and delicatessen for commercial use have been progressing favorably due to the positive impact of the recovery in foot traffic. For household use, the sales volume decreased as the increasing price started to affect the sales.

[North America]

- Despite a decrease in sales quantity, likely due to consumer fatigue from higher prices, the overall increase in sales and profit was achieved in the household and commercial segments, thanks to the positive effects of price hikes.

[Europe]

- In addition to improving UK operations, we expanded our sales areas to Spain and Italy. While we observed a decrease in sales volume in France and Germany, the impact of price increases led to increased sales and profit.

Chilled Foods Business: Both sales and profit increased year on year.

- The vendor business has been performing well, as sales of onigiri (rice ball) and salads for convenience stores have increased due to the recovery in foot traffic. Also, Gourmet Delica Co., Ltd., which operates the same vendor business, has joined our company as a consolidated subsidiary since July 2023, resulting in an increase in sales and profit.

(3) Fine Chemicals Business

The Fine Chemicals segment is engaged in manufacturing and selling pharmaceutical raw materials, functional raw materials (Note 2), and functional foods (Note 3).

<Overview of the second quarter of the consolidated fiscal year >

We recorded 7,930 million yen (down 9,188 million yen year-on-year) in sales and an operating loss of 33 million yen (down 1,835 million yen year-on-year) in the Fine Chemicals Business.

- We sold one of our consolidated companies, Nissui Pharmaceutical Co., Ltd. (now Shimadzu Diagnostics Corporation), in September 2022. Due to factors such as the suspension of exports of pharmaceutical raw materials to the United States and a decrease in demand for mail-order sales due to a slowdown in stay-at-home consumption, we experienced a decline in sales and profit.

(4) General Distribution Business

The General Distribution segment is engaged in the cold storage, transportation, and customs clearance businesses.

<Overview of the second quarter of the consolidated fiscal year >

We recorded 7,797 million yen (down 234 million yen year-on-year) in sales and an operating profit of 895 million yen (up 17 million yen year-on-year) in the General Distribution Business.

- Sales decreased as the handling volume declined in cold storage and customs clearance businesses. Meanwhile, profits increased as we improved profitability by increasing efficiency in operations and raising storage fees to counter the increased costs of electricity and labor.

(Note 1) We evaluated the estimated shipping prices of fish in ponds based on International Financial Reporting Standards (IFRS).

(Note 2) EPA, DHA, and others mainly used as ingredients in health supplements and infant formula

(Note 3) Supplements such as “Sesame soy milk” functional food and “i-mark S,” food for specified health uses (FOSHU), mainly for online business

(2) Explanation of the consolidated financial position

1) State of assets, liabilities, and net assets

(Unit: million yen)

	FY2022	2Q of FY2023	Increase/Decrease
Current Assets	304,349	335,964	31,614
(Inventories)	175,884	195,423	19,539
Non-current Assets	244,664	267,625	22,961
Total Assets	549,013	603,589	54,576
Current Liabilities	198,771	227,727	28,956
Non-current Liabilities	129,606	129,174	(432)
Total Liabilities	328,377	356,901	28,523
Total Net Assets	220,635	246,688	26,052

Assets

Total assets increased by 54,576 million yen compared to the end of the previous consolidated fiscal year to 603,589 million yen (up 9.9%).

Current assets increased by 31,614 million yen to 335,964 million yen (up 10.4%). This is mainly because the notes and accounts receivable increased by 17,585 million yen due to increased sales, etc., and the inventory increased by 19,539 million yen.

Non-current assets increased by 22,961 million yen to 267,625 million yen (up 9.4%), mainly due to increased property, plant, and equipment costs by 17,149 million yen with new consolidation and other factors.

Liabilities

Total liabilities increased by 28,523 million yen compared to the end of the previous consolidated fiscal year to 356,901 million yen (up 8.7%).

Current liabilities increased by 28,956 million yen to 227,727 million yen (up 14.6%), mainly because of increased short-term borrowings by 9,950 million yen due to increased demand for working capital.

Non-current liabilities decreased by 432 million yen to 129,174 million yen (down 0.3%). The main reason was a decrease in long-term borrowings by 1,887 million yen by payback.

Net Assets

Total net assets increased by 26,052 million yen compared to the previous consolidated fiscal year's end to 246,688 million yen (up 11.8%), mainly due to posting profit attributable to owners of the parent of 11,685 million yen, payment of dividends of surplus by 3,115 million yen, and an increase in foreign currency translation adjustment by 11,619 million yen due to weak yen and an increase in non-controlling interests by 4,034 million yen due to consolidation and other factors.

2) State of cash flows

(Unit: 100 million yen)

	2Q of FY2022	2Q of FY2023	Increase /Decrease
Net cash provided by operating activities	(12,868)	17,134	30,003
Net cash provided by investing activities	(10,165)	(19,024)	(8,859)
Net cash provided by financing activities	21,899	492	(21,407)
Cash and cash equivalent at the end of period	15,407	14,159	(1,248)

Net cash flows in operating activities were 17,134 million yen (compared to an outflow of 12,868 million yen in the previous year). It was due to posting a total of 27,867 million yen in profit before income taxes and depreciation, but there was a decrease in funds by 12,396 million yen due to increased working capital, including trade receivable and income tax paid by 1,560 million yen, etc.

Net cash flows used in investing activities were 19,024 million yen (increased by 8,859 million yen, compared with the same period of the previous year). The main reason was the purchase of property, plant, and equipment of 14,328 million yen, followed by investment in production equipment in Japan.

Net cash flows from financing activities were 492 million yen (21,407 million yen down, compared with the same period of the previous year) due to the repayment of long-term borrowings by 6,720 million yen, dividend paid by 3,110 million yen and increase in short-term borrowings by 9,278 million yen.

(3) Explanation of Consolidated Financial Forecasts

We will revise the net sales as follows since the performance was better than expected because of the sharp yen depreciation.

About the profit and loss at each stage, we have not made any changes, as there are concerns about inflation and economic slowdown. However, especially in Japan, with expectations for the recovery of foot traffic and inbound demand, it is necessary to assess market conditions and consumption trends during the year-end demand period.

Revision to the full-year forecast for FY2023 (From April 1, 2023, through March 31, 2024)

(Unit: 100 million yen)

	Net Sales	Operating Profit	Ordinary Profit	Profit attributable to owners of parent	Earnings per share (EPS)
Previous announced forecast (A)	800,000	27,000	29,000	21,500	69.08 yen
Revised forecast(B)	820,000	27,000	29,000	21,500	69.08 yen
Difference (B - A)	20,000	-	-	-	-
Percentage difference (%)	2.5%	-	-	-	-
(Ref.) Results for last Fiscal Year (FY2022)	768,181	24,488	27,776	21,233	68.22 yen

2. 2nd Quarter Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Unit : million yen)

	FY2022 As of Mar. 31, 2023	2nd Quarter of FY2023 As of September 30, 2023
Assets		
Current assets		
Cash and deposits	10,376	10,291
Notes and accounts receivable - trade	95,690	113,276
Merchandise and finished goods	92,823	108,400
Work in process	31,670	35,711
Raw materials and supplies	51,389	51,312
Other	22,817	17,452
Allowance for doubtful accounts	(419)	(480)
Total current assets	304,349	335,964
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	60,671	66,759
Other, net	88,346	99,407
Total property, plant and equipment	149,017	166,166
Intangible assets		
Goodwill	1,422	2,312
Other	12,659	14,700
Total intangible assets	14,082	17,013
Investments and other assets		
Investment securities	29,916	30,198
Shares of subsidiaries and associates	38,191	40,239
Retirement benefit asset	483	488
Deferred tax assets	2,625	2,962
Other	11,420	11,704
Allowance for doubtful accounts	(1,072)	(1,149)
Total investments and other assets	81,564	84,445
Total non-current assets	244,664	267,625
Total assets	549,013	603,589

Consolidated Balance Sheet

(Unit : million yen)

	FY2022 As of Mar. 31, 2023	2nd Quarter of FY2023 As of September 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable-trade	50,138	59,763
Short-term borrowings	100,621	110,572
Income taxes payable	3,151	4,967
Accrued expenses	25,846	30,763
Provisions	3,865	3,911
Other	15,147	17,749
Total current liabilities	198,771	227,727
Non-current liabilities		
Long-term borrowings	104,913	103,026
Provisions	31	71
Retirement benefit liability	11,097	11,584
Other	13,563	14,491
Total non-current liabilities	129,606	129,174
Total liabilities	328,377	356,901
Net assets		
Shareholders' equity		
Share capital	30,685	30,685
Capital surplus	21,567	22,176
Retained earnings	137,621	146,191
Treasury shares	(417)	(418)
Total shareholders' equity	189,457	198,634
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	11,046	12,235
Deferred gains or losses on hedges	561	938
Foreign currency translation adjustment	19,541	31,161
Remeasurements of defined benefit plans	(3,763)	(4,108)
Total accumulated other comprehensive income	27,385	40,226
Non-controlling interests	3,792	7,827
Total net assets	220,635	246,688
Total liabilities and net assets	549,013	603,589

(2) Consolidated Income Statements

(Unit : million yen)

	2nd Quarter of FY2022 (From April 1, 2022 through September 30, 2022)	2nd Quarter of FY2023 (From April 1, 2023 through September 30, 2023)
Net sales	377,207	407,134
Cost of sales	318,293	343,449
Gross profit	58,913	63,684
Selling, general and administrative expenses	45,580	47,409
Operating profit	13,332	16,275
Non-operating income		
Interest income	93	128
Dividend income	457	398
Foreign exchange gains	438	206
Share of profit of entities accounted for using equity method	293	679
Subsidy income	725	365
Miscellaneous income	168	422
Total non-operating income	2,177	2,200
Non-operating expenses		
Interest expenses	603	1,361
Miscellaneous expenses	189	96
Total non-operating expenses	792	1,457
Ordinary profit	14,716	17,018
Extraordinary income		
Gain on sale of non-current assets	56	34
Gain on sale of investment securities	103	1,775
Gain on sale of shares of subsidiaries and associates	3,464	–
Gain on change in equity	15	–
Total extraordinary income	3,641	1,809
Extraordinary losses		
Loss on disposal of non-current assets	246	320
Loss on sale of investment securities	124	–
Loss on valuation of investment securities	229	–
Loss on sale of shares of subsidiaries and associates	5	–
Loss on valuation of shares of subsidiaries and associates	106	–
Loss on disaster	484	–
Accident related loss	156	1,052
Total extraordinary losses	1,355	1,372
Profit before income taxes	17,002	17,454
Income taxes-current	5,326	6,568
Income taxes-deferred	(596)	(1,086)
Total income taxes	4,729	5,482
Profit	12,273	11,972
Profit attributable to non-controlling interests	525	286
Profit attributable to owners of parent	11,747	11,685

Consolidated Statements of comprehensive income

(Unit : million yen)

	2nd Quarter of FY2022 (From April 1, 2022 through September 30, 2022)	2nd Quarter of FY2023 (From April 1, 2023 through September 30, 2023)
Profit	12,273	11,972
Other comprehensive income		
Valuation difference on available-for-sale securities	238	922
Deferred gains or losses on hedges	1,066	475
Foreign currency translation adjustment	13,355	10,522
Remeasurements of defined benefit plans, net of tax	(788)	(342)
Share of other comprehensive income of entities accounted for using equity method	1,790	1,324
Total other comprehensive income	15,663	12,902
Comprehensive income	27,937	24,874
(Breakdown)		
Comprehensive income attributable to owners of parent	27,423	24,526
Comprehensive income attributable to non-controlling interests	513	347

(3) Consolidated Statements of Cash Flow

Million yen

	2nd Quarter of FY2022 (From April 1, 2022 through September 30, 2022)	2nd Quarter of FY2023 (From April 1, 2023 through September 30, 2023)
Cash flows from operating activities		
Profit before income taxes	17,002	17,454
Depreciation	9,520	10,412
Amortization of goodwill	121	246
Increase (decrease) in allowance for doubtful accounts	153	(5)
Increase (decrease) in retirement benefit liability	(809)	(342)
Interest and dividend income	(550)	(527)
Interest expenses	603	1,361
Share of loss (profit) of entities accounted for using equity method	(293)	(679)
Gain on sales of noncurrent assets	(56)	(34)
Loss on disposal of noncurrent assets	246	320
Loss (gain) on sale and valuation of investment securities	250	(1,775)
Loss on disaster	484	–
Accident related loss	–	1,052
Loss (gain) on sale of shares of subsidiaries and associates	(3,459)	–
Loss (gain) on change in equity	(15)	–
Decrease (increase) in trade receivables	(5,919)	(10,333)
Decrease (increase) in inventories	(21,620)	(11,524)
Increase (decrease) in trade payables	(4,136)	4,956
Increase (decrease) in accrued expenses	197	4,505
Other, net	2,927	4,198
Subtotal	(5,352)	19,284
Interest and dividends received	873	762
Interest paid	(608)	(1,352)
Payments associated with disaster loss	(3)	–
Proceeds from insurance income for disaster loss	265	–
Income taxes paid	(8,043)	(1,560)
Net cash provided by (used in) operating activities	(12,868)	17,134

Consolidated Statements of Cash Flow

Million yen

	2nd Quarter of FY2022 (From April 1, 2022 through September 30, 2022)	2nd Quarter of FY2023 (From April 1, 2023 through September 30, 2023)
Cash flows from investing activities		
Decrease (increase) in time deposits	2	5
Decrease(increase) in short-term investment securities	28	–
Purchase of property, plant and equipment	(9,744)	(14,328)
Proceeds from sale of property, plant and equipment	96	62
Purchase of intangible assets	(884)	(432)
Purchase of investment securities	(261)	(161)
Proceeds from sale of investment securities	438	2,915
Proceeds from sale of investments in subsidiaries and affiliates resulting in change in scope of consolidation	2,849	–
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	20	–
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(2,867)	–
Decrease (increase) in short-term loans receivable	350	(6,278)
Other, net	(193)	(806)
Net cash provided by (used in) investing activities	(10,165)	(19,024)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	29,237	9,278
Proceeds from long-term borrowings	1,893	–
Repayments of long-term borrowings	(6,120)	(6,720)
Repayments of lease liabilities	(361)	(422)
Dividends paid	(2,488)	(3,110)
Dividends paid to non-controlling interests	(225)	(111)
Proceeds from non-controlling interests associated with establishing consolidated subsidiaries	–	1,579
Decrease (increase) in treasury shares	(0)	(1)
Other, net	(34)	–
Net cash provided by (used in) financing activities	21,899	492
Effect of exchange rate change on cash and cash equivalents	858	1,055
Net increase (decrease) in cash and cash equivalents	(275)	(342)
Cash and cash equivalents at beginning of period	15,683	14,245
Increase in cash and cash equivalents resulting from share transfer	–	256
Cash and cash equivalents at end of period	15,407	14,159

(4) Notice concerning the consolidated financial statements

(Notes on Going Concern)

Not applicable.

(Notes Regarding Significant Changes in the Amount of Shareholder's Equity)

Not applicable.

(Segment Information, etc.)

1. 2nd Quarter of the previous Fiscal Year (April 1, 2022, September 30, 2022)

1. Information on net sales and profit (loss) by reportable segment

(Unit: Million yen)

	Information by business segments					Other (Note1)	Total	Adjustment (Note 2)	Consolidated (Note.3)
	Marine Products	Food Products	Fine Chemicals	General Distribution	Total				
Sales									
(1) Sales to third parties	157,454	187,381	17,119	8,032	369,986	7,220	377,207	-	377,207
(2) Inter-segment sales and transfers	9,087	537	170	6,038	15,833	1,144	16,977	(16,977)	-
Total	166,541	187,918	17,289	14,070	385,819	8,365	394,184	(16,977)	377,207
Segment income (loss)	8,225	6,945	1,801	878	17,851	406	18,257	(4,925)	13,332

(Note)

1. The "Other" segment includes the building/repairing ships, engineering, and other businesses not included in the reportable segments.
2. The (4,925) million yen segment income adjustment comprises 9 million yen in inter-segment transactions and (4,934) million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general and administrative expenses not allocated to the segments.
3. Segment income is adjusted to reflect operating profit as the quarterly consolidated income statement records.

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

(Significant impairment loss on non-current assets)

Not applicable.

(Significant changes in the amount of goodwill)

Not applicable.

(Significant gain on negative goodwill)

Not applicable.

2. 2nd Quarter of the current Fiscal Year (April 1, 2023 -September 30, 2023)

1. Information on net sales and profit (loss) by reportable segment

(Unit: Million yen)

	Information by business segments					Other (Note1)	Total	Adjustment (Note 2)	Consolidated (Note.3)
	Marine Products	Food Products	Fine Chemicals	General Distribution	Total				
Sales									
(1) Sales to third parties	163,253	219,113	7,930	7,797	398,095	9,038	407,134	-	407,134
(2) Inter-segment sales and transfers	8,231	344	229	5,773	14,579	1,016	15,595	(15,595)	-
Total	171,485	219,457	8,160	13,570	412,674	10,055	422,729	(15,595)	407,134
Segment income (loss)	5,513	14,152	(33)	895	20,528	369	20,897	(4,622)	16,275

(Note)

1. The "Other" segment includes the building/repairing ships, engineering, and other businesses not included in the reportable segments.
2. The (4,622) million yen segment income adjustment comprises 30 million yen in inter-segment transactions and (4,653) million yen in corporate expenses not allocated to the segments. Corporate expenses comprise mainly selling, general, and administrative expenses not allocated to the segments.
3. Segment income (loss) is adjusted to reflect operating profit as recorded in the quarterly consolidated income statement.

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

(Significant impairment loss on non-current assets)

Not applicable.

(Significant changes in the amount of goodwill)

As we included Gourmet Delica., Ltd. in the scope of consolidation in the food business, goodwill occurred in the second quarter. The amount increase in goodwill is 972 million yen.

We calculated the above amounts on a provisional base because the allocation of acquisition costs was not completed at the end of the second quarter.

(Significant gain on negative goodwill)

Not applicable.