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

January 30, 2024

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: February 7, 2024
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 Third Quarter of Fiscal 2024 (April 1, 2023 to December 31, 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 nine months of Fiscal 2024	650,681	8.4	41,894	64.5	43,321	60.2	29,517	—
First nine months of Fiscal 2023	600,005	18.7	25,462	(2.6)	27,040	(8.0)	(22,912)	—

(Note) Comprehensive income: First nine months of Fiscal 2024: ¥65,435million (—%)
First nine months of Fiscal 2023: ¥(20,548) million (—%)

	Earnings per share	Fully diluted earnings per share
	Yen	Yen
First nine months of Fiscal 2024	99.26	—
First nine months of Fiscal 2023	(77.05)	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
December 31, 2023	785,077	491,139	60.6
March 31, 2023	713,874	438,499	59.4

(Reference) Equity capital: December 31, 2023: ¥475,603million 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	—	21.00	—	—	—
Fiscal 2024 (forecast)	—	—	—	21.00	42.00

(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 percentages indicate the rates of increase or decrease compared with 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
Full year	850,000	6.4	46,000	40.1	47,000	42.2	30,000	—	100.89

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

* Notes

(1) Changes in important subsidiaries during the period under review (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 December 31, 2023	304,357,891	As of March 31, 2023	304,357,891
2) Number of treasury shares	As of December 31, 2023	6,931,391	As of March 31, 2023	6,979,939
3) Average number of shares outstanding	First nine months of Fiscal 2024	297,378,760	First nine months of Fiscal 2023	297,355,145

* 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 Third Quarter (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	82,971	93,770
Notes and accounts receivable – trade, and contract assets	107,887	121,284
Inventories	128,786	124,579
Other	11,065	16,033
Allowance for doubtful accounts	(641)	(827)
Total current assets	330,069	354,841
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,134	71,197
Machinery, equipment and vehicles, net	60,212	62,255
Land	52,618	53,022
Right-of-use assets	17,060	17,678
Other, net	16,468	21,132
Total property, plant and equipment	217,494	225,287
Intangible assets		
Goodwill	7,496	6,524
Other	16,180	15,492
Total intangible assets	23,677	22,017
Investments and other assets		
Investment securities	124,653	162,935
Other	18,180	20,203
Allowance for doubtful accounts	(200)	(207)
Total investments and other assets	142,633	182,931
Total non-current assets	383,805	430,236
Total assets	713,874	785,077

(Millions of yen)

	Fiscal 2023 (As of March 31, 2023)	Fiscal 2024 Third Quarter (As of December 31, 2023)
Liabilities		
Current liabilities		
Notes and accounts payable – trade	74,565	75,540
Short-term loans payable	14,356	15,154
Income taxes payable	8,941	5,759
Accrued expenses	23,247	22,210
Other	29,150	37,413
Total current liabilities	150,262	156,078
Non-current liabilities		
Bonds	20,000	20,000
Long-term loans payable	13,378	12,164
Lease obligations	37,311	39,161
Deferred tax liabilities	22,097	34,055
Provision for repairs	1,562	1,580
Net defined benefit liability	23,422	23,581
Other	7,341	7,315
Total non-current liabilities	125,112	137,859
Total liabilities	275,375	293,937
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	12,728	12,752
Retained earnings	325,181	342,202
Treasury shares	(10,989)	(10,913)
Total shareholders' equity	344,037	361,158
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	52,044	78,335
Deferred gains or losses on hedges	(13)	(85)
Foreign currency translation adjustment	28,352	36,674
Remeasurements of defined benefit plans	(588)	(479)
Total accumulated other comprehensive income	79,795	114,445
Subscription rights to shares	44	—
Non-controlling interests	14,621	15,536
Total net assets	438,499	491,139
Total liabilities and net assets	713,874	785,077

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

[Quarterly Consolidated Statements of Income]

(Millions of yen)

	First nine months of Fiscal 2023 (April 1, 2022 to December 31, 2022)	First nine months of Fiscal 2024 (April 1, 2023 to December 31, 2023)
Net sales	600,005	650,681
Cost of sales	478,719	508,529
Gross profit	121,285	142,152
Selling, general and administrative expenses	95,823	100,257
Operating profit	25,462	41,894
Non-operating income		
Interest income	181	357
Dividend income	2,836	2,283
Share of profit of entities accounted for using equity method	774	1,155
Other	747	1,150
Total non-operating income	4,540	4,947
Non-operating expenses		
Interest expenses	2,629	2,788
Other	332	732
Total non-operating expenses	2,962	3,520
Ordinary profit	27,040	43,321
Extraordinary income		
Gain on sale of non-current assets	—	281
Gain on sale of investment securities	12,716	436
Total extraordinary income	12,716	718
Extraordinary losses		
Loss on retirement of non-current assets	347	282
Impairment losses	56,046	1,254
Expenses related to change of the company name	211	—
Total extraordinary losses	56,605	1,537
Profit (loss) before income taxes	(16,848)	42,502
Total income taxes	5,310	12,089
Profit (loss)	(22,159)	30,412
Profit attributable to non-controlling interests	753	895
Profit (loss) attributable to owners of parent	(22,912)	29,517

[Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

	First nine months of Fiscal 2023 (April 1, 2022 to December 31, 2022)	First nine months of Fiscal 2024 (April 1, 2023 to December 31, 2023)
Profit (loss)	(22,159)	30,412
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,331)	26,176
Deferred gains or losses on hedges	(449)	61
Foreign currency translation adjustment	5,030	8,335
Remeasurements of defined benefit plans	178	128
Share of other comprehensive income of entities accounted for using equity method	182	321
Total other comprehensive income	1,610	35,023
Comprehensive income	(20,548)	65,435
(Breakdown)		
Comprehensive income attributable to owners of parent	(21,932)	64,166
Comprehensive income attributable to non-controlling interests	1,383	1,269

[Segment Information, etc.]

[Segment information]

I. First nine months of Fiscal 2023 (April 1, 2022 to December 31, 2022)

1. 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	313,345	142,043	113,290	568,678	31,326	600,005	—	600,005
Intersegment sales and transfers	14,573	1,329	3,467	19,371	2,069	21,440	(21,440)	—
Total	327,919	143,373	116,757	588,049	33,395	621,445	(21,440)	600,005
Segment profit	12,191	5,527	3,264	20,983	4,338	25,322	139	25,462

- 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 nine months of Fiscal 2024 (April 1, 2023 to December 31, 2023)

1. 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	346,849	152,232	118,943	618,026	32,655	650,681	—	650,681
Intersegment sales and transfers	14,575	1,433	3,145	19,154	1,837	20,992	(20,992)	—
Total	361,424	153,666	122,089	637,180	34,492	671,673	(20,992)	650,681
Segment profit	24,371	7,662	5,681	37,715	3,979	41,694	199	41,894

- 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.