

February 5, 2024

Consolidated Financial Results

Kikkoman Corporation Flash Report for Fiscal 2024 3Q (IFRS) (Consolidated)

Nine-month Period ended December 31, 2023

Listed company name:	Kikkoman Corporation
Shares listed:	Tokyo (Prime)
Code No.:	2801
URL:	https://www.kikkoman.com
Representative:	Shozaburo Nakano, President and Chief Executive Officer
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Scheduled submission date of quarterly accounting report:	February 14, 2024
Scheduled date for cash dividend payments:	—
Supplementary Schedules for quarter:	Yes
Results briefing for quarter:	No

(Amounts less than ¥1 million have been omitted in the following tables)

1. Business Performance for the Nine-month Period Ended December 31, 2023 (April 1, 2023 to December 31, 2023)

1) Business Performance

(Millions of yen)

	Revenue		Business profit		Operating profit		Profit before income taxes	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2023 - Dec. 31, 2023	494,875	6.1	59,362	23.1	53,345	15.2	60,654	19.8
Apr. 1, 2022 - Dec. 31, 2022	466,363	21.2	48,221	8.9	46,322	7.3	50,640	8.9

	Profit for the period attributable to owners of the parent		Total comprehensive income for the period	
	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2023 - Dec. 31, 2023	45,521	25.1	69,444	21.6
Apr. 1, 2022 - Dec. 31, 2022	36,375	9.1	57,099	40.0

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Apr. 1, 2023 - Dec. 31, 2023	238.56	—
Apr. 1, 2022 - Dec. 31, 2022	189.94	—

(Notes) Business profit is profit after deducting Cost of sales and Selling, general and administrative expenses from Revenue.

2) Financial Position

(Millions of yen)

	Total assets	Total equity	Total equity attributable to owners of the parent	Ratio of equity attributable to owners of the parent to total assets
Dec. 31, 2023	616,545	460,743	453,760	73.6%
Mar. 31, 2023	566,385	416,969	410,513	72.5%

2. Cash Dividends

	Cash dividends per share (yen)				
	Three-month period ended	Six-month period ended	Nine-month period ended	Full year ended	Total
Apr. 1, 2022 -Mar. 31, 2023	—	30.00	—	48.00	78.00
Apr. 1, 2023 -Mar. 31, 2024	—	34.00	—		
Apr. 1, 2023 -Mar. 31, 2024 (Estimated)				59.00	93.00

- (Notes) 1. Revisions to recently announced forecasts of dividends: No
 2. Dividends per share at the end of the year ended March 31, 2023, are 38.00 yen for ordinary dividends and 10.00 yen for commemorative dividends, respectively.

3. Forecasts of Business Performance for the Fiscal Year Ending March 31, 2024 (April 1, 2023 to March 31, 2024)

(Millions of yen)

	Revenue		Business profit		Operating profit		Profit before income taxes	
	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)	Amount	Y o Y (%)
Apr. 1, 2023 -Mar. 31, 2024	667,700	7.9	69,600	18.4	61,400	10.9	68,600	12.8

	Profit for the year attributable to owners of the parent		Basic earnings per share (yen)
	Amount	Y o Y (%)	
Apr. 1, 2023 -Mar. 31, 2024	50,600	15.7	265.34

(Note) Revisions to recently announced forecasts of business performance: None

[Notes]

1) Changes in important subsidiaries during the period (Changes in certain specific subsidiaries resulting in a revised scope of consolidation): Yes

Newly included: - Excluded: one company (Company name) Country Life, LLC

(Note) For more information, please refer to "Changes in Significant Subsidiaries during the Period under Review" on page 16 of this document, under 4) Notes on Condensed Quarterly Consolidated Financial Statements of 2. Condensed Quarterly Consolidated Financial Statements and Main Notes.

2) Changes in accounting policy and changes in accounting estimates

- ① Changes in accounting policies required by IFRS: None
- ② Changes in accounting policy other than those in ① above: None
- ③ Changes in accounting estimates: None

3) Issued and outstanding shares (common stock)

- ① Shares issued and outstanding at end of period (including treasury stock)

December 31, 2023	—	193,883,202 shares	March 31, 2023	—	193,883,202 shares
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- ② Treasury stock at end of period

December 31, 2023	—	3,589,460 shares	March 31, 2023	—	2,405,842 shares
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- ③ Average shares outstanding during the period (cumulative from the beginning of the fiscal year)

December 31, 2023	—	190,819,497 shares	December 31, 2022	—	191,507,781 shares
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(Note) The number of treasury stock at end of period includes the Company's shares held by the BIP (Board Incentive Plan) Trust established for the remuneration plan for the Company's directors, etc. (56,805 shares as of December 31, 2023, 58,100 shares as of March 31, 2023). The Company's shares held by the BIP Trust are included in the number of shares of treasury stock which are deducted from the number of shares when calculating the average number of shares outstanding during the period.

* This Flash Report is not included in the scope of an audit by certified public accountants or the audit corporations.

* Explanation concerning the appropriate use of financial result forecasts and other special notes

(Caution Regarding Forward-looking Statements)

Forecasts of business performance and future developments noted in this report are based on assumptions from information available to management at the time of disclosure and deemed reasonable at the present time. The Company makes no promises or commitments regarding achievements of such forecasts and future developments. Actual results may differ significantly from forecasts. For details of business performance forecasts and guidelines for assumptions, please refer to the attachments to this report, Page 9, 1. Qualitative Information and Consolidated Financial Statements, 3) Explanation of forward-looking statements, including forecasts of consolidated business performance.

(How to obtain business performance presentation materials)

Kikkoman will publish supplementary schedules to the nine-month results on TD-net for viewing in Japan, and on its website.

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1. Qualitative Information and Consolidated Financial Statements

1) Explanation of business performance

During the first nine months under review, the global economic situation saw a recovery overall, although the economy remained weak in certain areas.

In these circumstances, overall domestic sales of the Group rose year on year, attributable to an increase year on year in sales of the Foods—Manufacturing and Sales business as a whole, partly offset by a year-on-year decline in domestic sales of the Others Division. Overseas, sales increased year on year in both the Foods—Manufacturing and Sales and the Foods—Wholesale businesses.

As a result, consolidated operating results for the first nine months of fiscal 2024 were as follows.

<Consolidated Financial Statements>

(Millions of yen, %)

	FY2023 3Q		FY2024 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2022 – 12.31.2022		4.1.2023 – 12.31.2023		Amount	YoY	%		Amount	YoY
	Amount	%	Amount	%				Amount		
Revenue	466,363	100.0	494,875	100.0	28,512	106.1	—	18,616	9,895	102.1
Business Profit	48,221	10.3	59,362	12.0	11,140	123.1	1.7	2,783	8,357	117.3
Operating Profit	46,322	9.9	53,345	10.8	7,022	115.2	0.9	2,213	4,808	110.4
Profit before income taxes	50,640	10.9	60,654	12.3	10,014	119.8	1.4	2,487	7,526	114.9
Profit for the period attributable to owners of the parent	36,375	7.8	45,521	9.2	9,145	125.1	1.4	1,773	7,372	120.3
Exchange Rate (¥/US\$)	135.40		142.76		7.36					
(¥/EUR)	140.42		155.19		14.77					

<Reporting Segments>

(Millions of yen, %)

		FY2023 3Q		FY2024 3Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2022 – 12.31.2022		4.1.2023 – 12.31.2023		Amount	YoY	%		Amount	YoY
		Amount	%	Amount	%						
Domestic Foods— Manufacturing and Sales	Revenue	112,248	100.0	114,365	100.0	2,116	101.9	—	—	2,116	101.9
	Business Profit	8,101	7.2	9,546	8.3	1,445	117.8	1.1	—	1,445	117.8
Domestic Others	Revenue	16,572	100.0	16,125	100.0	(447)	97.3	—	—	(447)	97.3
	Business Profit	1,531	9.2	814	5.0	(716)	53.2	(4.2)	—	(716)	53.2
Overseas Foods— Manufacturing and Sales	Revenue	107,222	100.0	114,950	100.0	7,727	107.2	—	6,254	1,473	101.4
	Business Profit	21,596	20.1	28,166	24.5	6,570	130.4	4.4	1,633	4,936	122.9
Overseas Foods— Wholesale	Revenue	257,107	100.0	277,670	100.0	20,562	108.0	—	13,272	7,289	102.8
	Business Profit	17,846	6.9	22,000	7.9	4,154	123.3	1.0	945	3,208	118.0
Adjustments	Revenue	(26,788)	100.0	(28,236)	100.0	(1,448)	—	—	(911)	(536)	—
	Business Profit	(853)	—	(1,165)	—	(312)	—	—	204	(516)	—
Consolidated Total	Revenue	466,363	100.0	494,875	100.0	28,512	106.1	—	18,616	9,895	102.1
	Business Profit	48,221	10.3	59,362	12.0	11,140	123.1	1.7	2,783	8,357	117.3
Exchange Rate (¥/US\$)		135.40		142.76		7.36					
		(¥/EUR)	140.42	155.19		14.77					

Performance in each reporting segment is outlined as follows.

【Domestic】

Revenue in Japan were as follows.

Foods—Manufacturing and Sales

This business segment comprises manufacturing and sales in Japan of products from the Soy Sauce Division and the Food Products Division, which includes *tsuyu* (soy sauce soup base), *tare* (dipping and marinade sauces), and Del Monte seasonings, as well as the Beverages Division, which includes soy milk beverages and Del Monte beverages, and the Liquor and Wine Division, which includes *mirin* and wines. Revenue for each division were as follows.

■ Soy Sauce Division

Sales of the *Itsudemo Shinsen* (always fresh) series increased year on year, mainly due to the continued implementation of TV advertisement-focused marketing measures aimed at communicating products' added value. However, this was more than offset by a decline from the year-ago level in sales of products in conventional plastic bottles such as *Tokusen Marudaizu Shoyu*. Consequently, overall sales in the home-use sector decreased year on year. Sales increased year on year in the industrial- and foodservice-use sectors due to a recovery in demand mainly in the restaurant industry. The prices of home-use soy sauce products and industrial- and foodservice-use soy sauce products were revised in April 2023 and August 2023, respectively, mainly due to a surge in the prices of raw materials. As a result, overall sales increased year on year for the Soy Sauce Division.

■ Food Products Division

Overall sales of *tsuyu* products decreased year on year because sales of certain products, *Koidashi Hon Tsuyu* in particular, were lower than the year-ago level. Sales of *tare* products were higher than the year-ago level, thanks to favorable growth of *Choyakiniku no Tare*. Sales of the *Uchi no Gohan* series (handy Japanese-style seasoning mixes) decreased year on year. Sales of Del Monte seasonings increased year on year. Prices were revised for ponzu products in April 2023, for *tsuyu* products in April and August 2023, and for *tare* products and *Uchi no Gohan* in August 2023, mainly due to a surge in raw material prices. As a result, overall sales increased year on year for the Food Products Division.

■ Beverages Division

Sales of soy milk beverages fell from the year-ago level due to a year-on-year decline in sales of the products in one-liter containers. Prices of soy milk beverages were revised in April 2023, mainly due to a surge in prices of raw materials. Overall sales of Del Monte beverages increased year on year, attributable to buoyant sales of tomato juice. As a result, overall sales decreased year on year for the Beverages Division.

■ Liquor and Wine Division

Sales of *Hon Mirin* increased year on year, reflecting higher sales of *Nokojukusei Hon Mirin* and high value-added products such as *Komekoji Kodawari-jikomi Hon Mirin* in the home-use sector. In addition, sales of products in the industrial- and foodservice-use sectors rose year on year, primarily reflecting a recovery in demand at restaurants. Sales of wine decreased year on year. The price of *Hon Mirin* was revised in August 2023 chiefly due to a surge in raw materials prices, and the prices of wines were also revised in October 2023 against the backdrop of the revision of the liquor tax and the surge in raw materials prices. As a result, overall sales increased year on year for the Liquor and Wine Division.

As a result of the above, the Foods—Manufacturing and Sales segment recorded higher revenue and higher profit, with revenue increasing 1.9% year on year, to ¥114,365 million, and business profit increasing 17.8% year on year, to ¥9,546 million.

Others

This segment includes production and sales of clinical diagnostic reagents, hygiene inspection agents, and chemical products such as hyaluronic acid, as well as real estate rental, logistics, back-office functions for the Kikkoman Group, and other businesses.

Sales of clinical diagnostic enzymes and hyaluronic acid declined year on year. As a result, overall sales decreased year on year for the Others Division.

As a result of the above, the Others segment recorded lower revenue and lower profit, with revenue decreasing 2.7% year on year, to ¥16,125 million, and business profit decreasing 46.8% year on year, to ¥814 million.

【Overseas】

Revenue overseas were as follows.

Foods—Manufacturing and Sales

This business comprises overseas manufacturing and sales of products from the Soy Sauce Division, Del Monte Division, and the Other Foods Division, including health foods. Revenue for each division were as follows.

■ Soy Sauce Division

In the North American market, the division continues to enhance its lineup of soy sauce-based seasonings and other products, in addition to its mainstay soy sauce products, in the home-use sector. At the same time, the division has been leveraging the Kikkoman brand to expand its business. In the industrial- and foodservice-use sectors, we have expanded our business by responding carefully to the needs of our customers. As a result, sales increased year on year.

In the European market, sales increased in key markets such as Germany and the Netherlands year on year, and overall sales also rose from the previous year.

In the Asia and Oceania market, sales increased year on year, reflecting higher sales in Indonesia and the Philippines, among other countries.

As a result, overall sales for the Soy Sauce Division rose year on year.

■ Del Monte Division

This division manufactures and sells canned fruits, canned corn, tomato ketchup and other products in the Asia and Oceania region.

Overall sales increased year on year for the division.

■ Other Foods Division

This division manufactured and sold health foods, mainly in the North American region. However, the Company transferred all investment equity at Allergy Research Group, LLC on June 30, 2023 and at Country Life, LLC on July 31, 2023.

Overall sales decreased year on year for the Other Foods Division, partly reflecting the impact of these transfers of investment equity.

As a result of the above, the Foods—Manufacturing and Sales segment recorded higher revenue and higher profit, with revenue increasing 7.2% year on year, to ¥114,950 million, and business profit increasing 30.4% year on year, to ¥28,166 million.

Foods—Wholesale

This segment procures and sells oriental foods in Japan and overseas.

Sales increased year on year in North America, Europe, Asia and Oceania.

As a result, overall sales increased year on year for the Foods—Wholesale segment.

As a result of the above, the Foods—Wholesale segment recorded higher revenue and higher profit, with revenue increasing 8.0% year on year, to ¥277,670 million, and business profit increasing 23.3% year on year, to ¥22,000 million.

As a result of the aforementioned segment results, the Company reported consolidated revenue for the nine-month period ended in fiscal 2024 of ¥494,875 million increasing 6.1% year on year, business profit of ¥59,362 million increasing 23.1%, operating profit of ¥53,345 million increasing 15.2%, and profit for the period attributable to owners of the parent of ¥45,521 million increasing 25.1%.

2) Explanation of financial position

(Assets)

Current assets as of December 31, 2023, were ¥305,795 million, up ¥24,584 million from March 31, 2023. This was mainly due to increases in other financial assets(current) and trade and other receivables. Non-current assets were ¥310,749 million, up ¥25,575 million from March 31, 2023. This was largely attributable to increases in property, plant and equipment, other financial assets (non-current) and right-of-use assets. As a result, total assets increased ¥50,159 million from March 31, 2023, to ¥616,545 million.

(Liabilities)

Current liabilities as of December 31, 2023, were ¥87,702 million, down ¥11,053 million from March 31, 2023. This was mainly due to a decrease in short-term borrowings and current portion of long-term borrowings. Non-current liabilities were ¥68,099 million, up ¥17,439 million from March 31, 2023. This was largely due to an increase in long-term borrowings and long-term lease liabilities. As a result, total liabilities increased ¥6,385 million from March 31, 2023, to ¥155,801 million.

(Equity)

Equity as of December 31, 2023 was ¥460,743 million, up ¥43,774 million from March 31, 2023. This was largely attributable to an increase in retained earnings as well as an increase in exchange differences on translation of foreign operations, which resulted from the weaker yen. As a result, the ratio of equity attributable to owners of the parent to total assets was 73.6% (72.5% on March 31, 2023).

3) Explanation of forward-looking statements, including forecasts of consolidated business performance

There are no changes to the full year forecasts of business performance that were announced in the Flash Report published on November 2, 2023. There are no significant changes to business risks that might affect business performance from the disclosures in the latest securities report (submitted on June 29, 2023).

2. Condensed Quarterly Consolidated Financial Statements and Main Notes

1) Condensed Quarterly Consolidated Statements of Financial Position

	(Millions of yen)	
	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	99,347	99,072
Trade and other receivables	75,070	86,067
Inventories	92,222	89,188
Other financial assets	4,515	21,350
Other current assets	10,054	10,116
Total current assets	281,211	305,795
Non-current assets:		
Property, plant and equipment	150,675	161,292
Investment properties	9,213	9,195
Right-of-use assets	30,497	35,153
Goodwill	4,657	3,402
Intangible assets	4,795	5,021
Investments in associates accounted for using the equity method	4,248	4,906
Other financial assets	69,680	77,741
Employee defined benefit assets	8,178	11,002
Deferred tax assets	3,058	2,865
Other non-current assets	167	168
Total non-current assets	285,174	310,749
Total assets	566,385	616,545

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities:		
Trade and other payables	61,333	56,358
Short-term borrowings and current portion of long-term borrowings	17,054	5,831
Short-term lease liabilities	5,158	6,133
Income tax payable	2,639	3,914
Other financial liabilities	526	4,403
Other current liabilities	12,042	11,060
Total current liabilities	<u>98,755</u>	<u>87,702</u>
Non-current liabilities:		
Long-term borrowings	400	12,400
Long-term lease liabilities	28,371	31,779
Deferred tax liabilities	10,051	10,918
Employee defined benefit liabilities	4,658	4,458
Other financial liabilities	3,968	4,006
Other non-current liabilities	3,210	4,536
Total non-current liabilities	<u>50,660</u>	<u>68,099</u>
Total liabilities	<u>149,416</u>	<u>155,801</u>
Equity		
Equity:		
Share capital	11,599	11,599
Capital surplus	13,745	13,830
Retained earnings	329,482	360,932
Treasury stock	(7,326)	(16,969)
Other components of equity	63,012	84,368
Total equity attributable to owners of the parent	<u>410,513</u>	<u>453,760</u>
Non-controlling interests	6,456	6,982
Total equity	<u>416,969</u>	<u>460,743</u>
Total liabilities and equity	<u>566,385</u>	<u>616,545</u>

2) Condensed Quarterly Consolidated Statements of Profit or Loss and Condensed Quarterly Consolidated Statements of Comprehensive Income (Condensed Quarterly Consolidated Statements of Profit or Loss)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Revenue	466,363	494,875
Cost of sales	310,314	322,071
Gross profit	156,049	172,803
Selling, general and administrative expenses	107,827	113,441
Business profit	48,221	59,362
Other income	1,588	5,791
Other expenses	3,487	11,808
Operating profit	46,322	53,345
Finance income	9,800	10,056
Finance costs	5,731	3,027
Share of profit (loss) of associates accounted for using the equity method	248	281
Profit before income taxes	50,640	60,654
Income taxes	13,853	14,749
Profit for the period	36,786	45,904
Profit for the period attributable to:		
Owners of the parent	36,375	45,521
Non-controlling interests	411	383
Profit for the period	36,786	45,904
Earnings per share (yen)	189.94	238.56

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit for the period	36,786	45,904
Other comprehensive income (loss):		
Items that will not be reclassified to profit or loss		
Net change in fair value of financial assets measured at FVOCI, net of taxes	1,712	4,565
Remeasurements of defined benefit plans	(26)	1,258
Share of other comprehensive income (loss) of associates accounted for using the equity method	149	421
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	18,320	17,140
Cash flow hedges	156	153
Other comprehensive income for the period, net of tax	<u>20,312</u>	<u>23,539</u>
Total comprehensive income for the period	<u>57,099</u>	<u>69,444</u>
Total comprehensive income for the period attributable to:		
Owners of the parent	56,129	68,673
Non-controlling interests	969	770

3) Condensed Quarterly Consolidated Statements of Changes in Equity

Nine months ended December 31, 2022

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Exchange differences on translation of foreign operations	Cash flow hedges
Balance at beginning of the period	11,599	13,696	297,116	(6,808)	24,600	104
Profit for the period			36,375			
Other comprehensive income (loss)					17,767	156
Total comprehensive income (loss) for the period	—	—	36,375	—	17,767	156
Purchase of treasury stock				(514)		
Disposal of treasury stock		0		0		
Share-based payment transactions		59				
Dividends			(13,220)			
Changes in ownership interests in subsidiaries		(28)			3	
Transfer from other components of equity to retained earnings			484			
Transfer to non-financial assets						(296)
Total transactions with owners of the parent	—	30	(12,735)	(514)	3	(296)
Balance at end of the period	11,599	13,727	320,756	(7,322)	42,371	(34)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net change in fair value of financial assets measured at FVOCI	Remeasurements of defined benefit plans	Total			
Balance at beginning of the period	17,506	—	42,212	357,816	6,091	363,907
Profit for the period			—	36,375	411	36,786
Other comprehensive income (loss)	1,866	(36)	19,754	19,754	558	20,312
Total comprehensive income (loss) for the period	1,866	(36)	19,754	56,129	969	57,099
Purchase of treasury stock			—	(514)		(514)
Disposal of treasury stock			—	0		0
Share-based payment transactions			—	59		59
Dividends			—	(13,220)	(246)	(13,466)
Changes in ownership interests in subsidiaries			3	(25)	(43)	(68)
Transfer from other components of equity to retained earnings	(521)	36	(484)	—		—
Transfer to non-financial assets			(296)	(296)		(296)
Total transactions with owners of the parent	(521)	36	(777)	(13,996)	(289)	(14,285)
Balance at end of the period	18,851	—	61,188	399,949	6,772	406,721

Nine months ended December 31, 2023

(Millions of yen)

	Equity attributable to owners of the parent					
	Share capital	Capital surplus	Retained earnings	Treasury stock	Other components of equity	
					Exchange differences on translation of foreign operations	Cash flow hedges
Balance at beginning of the period	11,599	13,745	329,482	(7,326)	44,844	(64)
Profit for the period			45,521			
Other comprehensive income (loss)					16,762	153
Total comprehensive income (loss) for the period	—	—	45,521	—	16,762	153
Purchase of treasury stock				(9,654)		
Disposal of treasury stock		0		0		
Share-based payment transactions		84		11		
Dividends			(15,676)			
Changes in ownership interests in subsidiaries						
Transfer from other components of equity to retained earnings			1,605			
Transfer to non-financial assets						(191)
Total transactions with owners of the parent	—	84	(14,071)	(9,643)	—	(191)
Balance at end of the period	11,599	13,830	360,932	(16,969)	61,606	(102)

	Equity attributable to owners of the parent				Non-controlling interests	Total equity
	Other components of equity			Total		
	Net change in fair value of financial assets measured at FVOCI	Remeasurements of defined benefit plans	Total			
Balance at beginning of the period	18,232	—	63,012	410,513	6,456	416,969
Profit for the period			—	45,521	383	45,904
Other comprehensive income (loss)	4,985	1,251	23,152	23,152	387	23,539
Total comprehensive income (loss) for the period	4,985	1,251	23,152	68,673	770	69,444
Purchase of treasury stock			—	(9,654)		(9,654)
Disposal of treasury stock			—	0		0
Share-based payment transactions			—	95		95
Dividends			—	(15,676)	(244)	(15,920)
Changes in ownership interests in subsidiaries			—	—		—
Transfer from other components of equity to retained earnings	(353)	(1,251)	(1,605)	—		—
Transfer to non-financial assets			(191)	(191)		(191)
Total transactions with owners of the parent	(353)	(1,251)	(1,796)	(25,425)	(244)	(25,670)
Balance at end of the period	22,864	—	84,368	453,760	6,982	460,743

4) Notes on Condensed Quarterly Consolidated Financial Statements (Notes Regarding Going Concern)

No applicable items.

(Changes in Significant Subsidiaries during the Period under Review)

KI NutriCare, Inc., a specified subsidiary of the Company, transferred its entire equity interest in Country Life, LLC (a specified subsidiary), a subsidiary of KI NutriCare, Inc. and a second-tier subsidiary of the Company. Country Life, LLC was excluded from consolidation in the first six months under review.

(Segment Information)

(a) Overview of reportable segments

The Group's reportable segments are components of the Group for which separate financial information is available. The Group's Board of Directors uses these operating segments periodically to make decisions on the allocation of management resources and to evaluate business performance. The Group does not aggregate the operation segments in determining the reportable segments.

The Company, as a holding company, mainly formulates Group strategies and manages operating companies. Under this structure, Japanese companies are categorized into companies that primarily engage in the manufacturing and sale of foods and others. Overseas business is operated by the holding company's overseas business divisions, and the operating companies are categorized into companies that engage in foods manufacturing and sales and companies that engage in wholesale of oriental food products.

Accordingly, the Group consists of four reportable segments that are a matrix of domestic and overseas regions and types of business: "Domestic Foods—Manufacturing and Sales," "Domestic Others," "Overseas Foods—Manufacturing and Sales" and "Overseas Foods—Wholesale".

The Domestic Foods—Manufacturing and Sales segment engages in the manufacturing and sale of soy sauce, food products, beverages, liquor and wine in Japan. The Domestic Others segment engages in the manufacturing and sale of pharmaceuticals and chemical products and in real estate rentals, logistics, back-office functions and other businesses in Japan. The Overseas Foods—Manufacturing and Sales segment engages in the manufacturing, sale and exporting of soy sauce, Del Monte products and health foods and in the export and sales of products for overseas market. The Overseas Foods—Wholesale segment purchases and sells oriental foods in domestic and overseas markets.

(b) Information about reportable segments

Segment profit (loss) represents business profit, the amount obtained by deducting cost of sales, selling, general and administrative expenses from revenue. Inter-segment revenue and transfers are determined based on prevailing market prices.

(c) Information about revenue and profit or loss by reportable segment is set out below:

	Nine months ended December 31, 2022				Total	Adjustments	Consolidated
	Domestic Foods— Manufacturing and Sales	Domestic Others	Overseas Foods— Manufacturing and Sales	Overseas Foods— Wholesale			
Revenue							(Millions of yen)
External revenue	109,843	6,052	93,446	257,020	466,363	—	466,363
Inter-segment revenue	2,404	10,520	13,776	87	26,788	(26,788)	—
Total	112,248	16,572	107,222	257,107	493,151	(26,788)	466,363
Segment profit (loss)	8,101	1,531	21,596	17,846	49,075	(853)	48,221
Other income	—	—	—	—	—	—	1,588
Other expenses	—	—	—	—	—	—	3,487
Finance income	—	—	—	—	—	—	9,800
Finance costs	—	—	—	—	—	—	5,731
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	248
Profit before income taxes	—	—	—	—	—	—	50,640

(Note) Adjustment of segment profit is mainly due to the difference in allocation of corporate expenses.

	Nine months ended December 31, 2023				Total	Adjustments	Consolidated
	Domestic Foods— Manufacturing and Sales	Domestic Others	Overseas Foods— Manufacturing and Sales	Overseas Foods— Wholesale			
Revenue							(Millions of yen)
External revenue	111,830	5,823	99,638	277,583	494,875	—	494,875
Inter-segment revenue	2,535	10,302	15,311	87	28,236	(28,236)	—
Total	114,365	16,125	114,950	277,670	523,112	(28,236)	494,875
Segment profit (loss)	9,546	814	28,166	22,000	60,528	(1,165)	59,362
Other income	—	—	—	—	—	—	5,791
Other expenses	—	—	—	—	—	—	11,808
Finance income	—	—	—	—	—	—	10,056
Finance costs	—	—	—	—	—	—	3,027
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	281
Profit before income taxes	—	—	—	—	—	—	60,654

(Notes) 1. Adjustment of segment profit is mainly due to the difference in allocation of corporate expenses.

2. With respect to the manufacturing and sale of health foods of the Overseas Foods—Manufacturing and Sales business, the Company transferred all investment equity at Allergy Research Group, LLC on June 30, 2023 and Country Life, LLC on July 31, 2023, respectively.