



February 9, 2024

Consolidated Financial Results for the Third Quarter of the Fiscal Year Ending March 31, 2024 <Japanese GAAP>

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Listed stock exchange: Tokyo
Securities code: 2264
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Dividend payment commencement date: –
Preparation of explanatory materials for quarterly financial results: Yes
Holding of a briefing on quarterly financial results: Yes

(Amounts of less than one million yen are truncated)

1. Consolidated Financial Results for the Cumulative Third Quarter of the Fiscal Year Ending March 31, 2024 (April 1, 2023 to December 31, 2023)

(1) Consolidated operating results (Cumulative)

(% figures show year-on-year change)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2023	423,241	4.4	28,015	36.9	28,572	32.7	62,798	417.8
Nine months ended December 31, 2022	405,224	4.3	20,460	(25.9)	21,529	(24.7)	12,128	(43.2)

(Note) Comprehensive income: Nine months ended December 31, 2023: ¥68,455 million / 318.4%
Nine months ended December 31, 2022: ¥16,360 million / (24.7)%

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2023	710.69	709.85
Nine months ended December 31, 2022	134.11	133.87

(Note) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Basic earnings per share and diluted earnings per share are calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	Millions of yen	Millions of yen	%
As of December 31, 2023	572,711	282,820	48.5
As of March 31, 2023	487,441	228,249	45.7

(Reference) Shareholders' equity: As of December 31, 2023: ¥277,594 million As of March 31, 2023: ¥222,902 million

(Note) Provisional accounting treatments for business combinations were finalized in the second quarter of the fiscal year under review, and the contents of finalization of the provisional accounting treatments are reflected on the figures for the previous fiscal year.

2. Dividends

	Annual dividends				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	–	–	–	90.00	90.00
Fiscal year ending March 31, 2024	–	–	–		
Fiscal year ending March 31, 2024 (Forecast)				60.00	60.00

(Note 1) Amendment to forecasts of dividends recently announced: Yes

(Note 2) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Dividend per share forecasts for FYE Mar. 2024 take the impact of this stock split into account. If this stock split were not taken into account, the year-end dividend per share forecast for FYE Mar. 2024 would be 120.00 yen. For details of the stock split, please refer to “Proper use of earnings forecasts, and other special matters.”

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

(% figures show year-on-year change for the full year and quarter)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Profit per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	550,000	4.6	27,000	12.8	28,000	11.0	61,700	265.6	698.26

(Note 1) Amendment to forecasts of consolidated financial results recently announced: None

(Note 2) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Profit per share forecasts of consolidated financial results for FYE Mar. 2024 take the impact of this stock split into account. If this stock split were not taken into account, profit per share forecasts of consolidated financial results for FYE Mar. 2024 would be 1,396.51 yen. For details of the stock split, please refer to “Proper use of earnings forecasts, and other special matters.”

*** Notes**

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2023: None
(changes in specified subsidiaries affecting the scope of consolidation)

New: - (Company name:) Excluded: - (Company name:)

- (2) Application of special accounting for preparing quarterly consolidated financial statements: Yes
For details, refer to page 12 of the attached materials, “2. Quarterly Consolidated Financial Statements and Notes (3) Notes regarding the quarterly consolidated financial statements (Application of special accounting for preparing quarterly consolidated financial statements).”

- (3) Changes in accounting policies and estimates, and retrospective restatements

- (i) Changes in accounting policies in accordance with revision of accounting standards: None
(ii) Changes in accounting policies other than item (i) above: None
(iii) Changes in accounting estimates: None
(iv) Retrospective restatements: None

- (4) Number of shares issued (common stock)

- (i) Number of shares outstanding at the end of the period (including treasury shares)

As of December 31, 2023	91,977,886 shares
As of March 31, 2023	95,690,686 shares

- (ii) Number of treasury shares at the end of the period

As of December 31, 2023	5,187,158 shares
As of March 31, 2023	5,214,236 shares

- (iii) Average number of shares during period

For the nine months ended December 31, 2023	88,362,941 shares
For the nine months ended December 31, 2022	90,438,734 shares

(Note) The Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023. Number of shares issued (common stock) is calculated on the assumption that the stock split had been conducted at the beginning of the previous fiscal year.

* Quarterly financial results are not subject to review by a certified public accountant or audit corporation.

* Proper use of earnings forecasts, and other special matters

The above forecasts of consolidated financial results are based on information currently available to the Company and on certain assumptions on market trends, etc. deemed to be reasonable, and are subject to uncertainties. Consequently, actual business and other results may differ substantially due to various factors. For details on the above forecasts of consolidated financial results, refer to page 7 of the attached materials, “1. Qualitative Information on Quarterly Results (3) Explanation of forward-looking information including consolidated earnings forecasts.”

Based on the approval at the Board of Directors meeting held on November 9, 2023, the Company executed a stock split at a ratio of two shares for every share of common stock with an effective date of December 1, 2023.

[Attached Materials]

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1. Qualitative Information on Quarterly Results

(1) Explanation of consolidated operating results

In the first nine months of the consolidated fiscal year under review, the prolonged situation in Ukraine, trends in the Middle East, tight monetary policy around the world, and other factors had various impacts on international society and posed downside risks to the global economy. In Japan, economic activity picked up as a result of the easing of rules related to infectious disease countermeasures, and although a moderate recovery in business conditions is expected to continue owing to rising demand for labor, higher wages, and a resurgence in inbound tourist demand, the negative impact of higher prices on household finances and companies could also continue. Given such developments, the trends in the domestic and global situation will continue to require close monitoring.

Under these circumstances, based on the new Medium-term Business Plan 2022–2024, which began in the previous fiscal year, the Morinaga Milk Group is striving to provide health value and tastiness and delightfulness that are unique to it. In particular, against the backdrop of increasing health needs in and outside Japan, the Group has been expanding products in the “five domains of wellness,” including yogurt and functional ingredients, that take into consideration various health issues.

In the Global Business, as well as the core MILEI GmbH business, we are moving forward with further initiatives aimed at achieving growth over the medium to long term, such as by steadily getting business plans underway at the M&A implemented in the previous fiscal year in Pakistan, the U.S., and Vietnam.

On the other hand, we continued to be affected by higher costs, such as increased dairy ingredient and raw material prices, as well as various operation costs. With regard to trade prices for raw milk, following price increases for dairy products in April 2023 and for beverages and fermented milk products in August 2023, prices were increased for butter and cream in December 2023, leading to a further step up in costs. To counter this situation, further efforts were made to absorb the costs such as by revising prices, improving the product mix through expansion of high-profit-margin businesses and products, and reviewing Group-wide costs. As a result of continuing to promote existing initiatives, both net sales and profit increased in the nine months ended December 31, 2023.

<Morinaga Milk Group’s 10-year vision and Medium-term Business Plan 2022–2024>

The Group established the Morinaga Milk Group 10-year Vision in April 2019, setting out its vision for the next 10 years. Under the vision, the Morinaga Milk Group sees itself one decade ahead in terms of becoming:

- “a company that balances ‘delicious and pleasurable food’ with ‘health and nutrition’,”
- “a global company that exerts a unique presence worldwide,” and
- “a company that persistently helps make social sustainability a reality,”

based on which we have established targets for the fiscal year ending March 31, 2029, aiming to achieve:

- an “operating profit margin of at least 7%,” an “ROE of at least 10%,” and a “Global Business sales ratio of at least 15%.”

Underpinned by this vision, we have established three basic policies for the three-year Medium-term Business Plan 2022–2024 that extends through the fiscal year ending March 31, 2025, which are:

- “achieving sustainable growth by increasing the added value of our business,”
- “further strengthening our business base with an eye on the future,” and
- “financial strategies focused on efficiency,”

and aim to balance resolution of social issues and improvement of profitability as we pursue the plan. Additionally, we have formulated the “Sustainability Medium- to Long-Term Plan 2030,” in which 2030 targets and KPIs have been set for the three themes of “Food and Wellness,” “Resources and the Environment,” and “People and Society.” It is placed at the core of management and is carried out in conjunction with the Medium-term Business Plan.

With respect to numerical targets for the final fiscal year of the Medium-Term Business Plan (ending March 31, 2025), we are aiming for net sales of ¥540.0 billion, operating profit of ¥25.0 billion, profit attributable to owners of parent of ¥16.0 billion, operating profit to net sales ratio of 4.6%, ROE of 6%, and global business sales ratio of 13%.

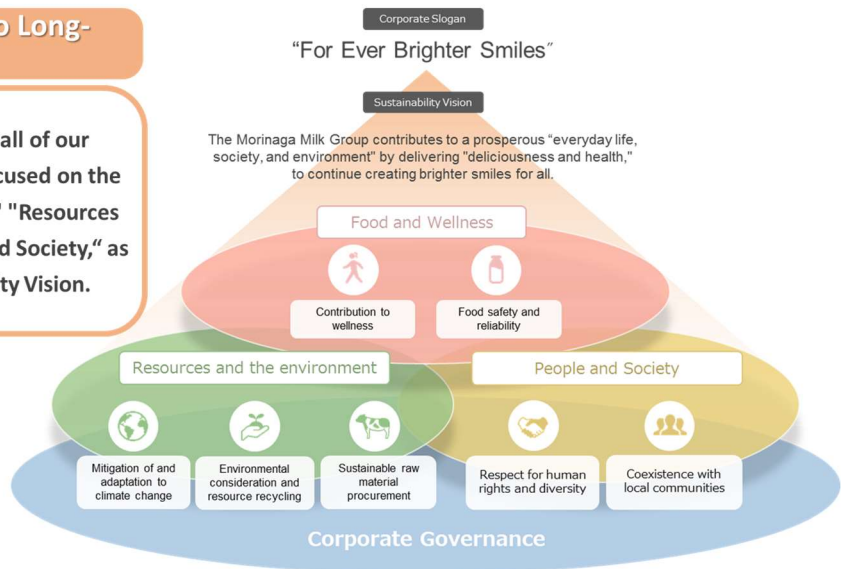
(Reference material 1) Overview of the new Medium-term Business Plan 2022–2024



(Reference material 2) Sustainability Medium- to Long-Term Plan 2030

the Sustainability Medium- to Long-Term Plan 2030

In order to bring brighter smiles to all of our stakeholders, we conduct activities focused on the three themes of "Food and Wellness," "Resources and the Environment," and "People and Society," as we seek to achieve our Sustainability Vision.



The first basic policy of the Medium-term Business Plan is “Achieving sustainable growth by increasing the added value of our business,” to which end we have reconfigured our business structure by combining the previous business fields of the B-to-C and Wellness businesses and reorganizing them as (1) the Nutrition and Healthcare Foods Business and (2) the Core Dairy Foods Business, which together with (3) the B-to-B Business and (4) the Global Business comprise the four new pillars of our business. We are working on expanding these pillars individually and are also seeking in particular to accelerate the provision of health value laterally across the four pillars by expanding products in the “five domains of wellness,” as well as striving for renewed growth of our proprietary functional ingredients and bacteria and portfolio transformation of the Global Business. Through our business activities, we will contribute to the “wellness” and “happiness” of consumers by providing “health value” and “tastiness and delightfulness.”

The second basic policy is “Further strengthening our business base with an eye on the future,” which is being pursued from the perspectives of structural reform, strategic investments, and asset utilization. Structural reform is being carried out by strengthening resilience to changes in the external environment and other measures. As strategic investments, our plan includes strengthening of R&D functions and growth investments and environment-related investments that are in line with our 10-year vision. In terms of asset utilization, we are strengthening our intellectual property base and promoting utilization of domestic milk resources.

The third basic policy of “Financial strategies focused on efficiency” aims to carry out strategic investments for growth and make use of funds by paying attention to shareholder returns and financial position, to be pursued in tandem with improvement of ROE focusing on capital efficiency. With respect to shareholder returns, we maintain the basic policy of paying stable and long-term dividends, and will raise the target payout ratio to 30% from the previous target of 20%. Additionally, we will take measures that give due consideration to total payout ratio. Treasury shares that we hold will, in principle, be canceled, except for a certain portion that will be retained to allow for a flexible capital policy in the future. Based on this policy, we announced “Notice Concerning Decision on Matters Relating to Acquisition of Treasury Shares and Cancellation of Treasury Shares” in May 2023, and “Notice Regarding Results and Completion of Acquisition of Treasury Stock” and “Notice Concerning Cancellation of Treasury Shares” in November 2023.

<Key initiatives for the fiscal year under review>

The fiscal year ending March 31, 2024, has been positioned as an important year for preparations to achieve the Medium-Term Business Plan 2022–2024. While continuing to forge ahead with various initiatives and responding to dramatic changes in the environment, we will endeavor to further strengthen our corporate structure and business.

- Deal with cost increases driven by higher raw material milk, raw materials and energy prices.
 - Minimize the impact of cost increases through price revisions, product mix improvement, rationalization, and other measures
- Promote initiatives in line with the policies of Medium-term Business Plan 2022–2024 and Sustainability Medium- to Long-Term Plan 2030.
 - Provide products that meet the needs of customers, offer high-value-added products, and promote the value of products by pursuing “health value” and “tastiness and delightfulness” that are unique to the Morinaga Milk Group
 - Expand products in the “five domains of wellness,” including yogurt and functional ingredients, that take into account various health issues, mainly in the Nutrition and Healthcare Foods Business
 - Promote initiatives for further expansion of the Global Business
 - Strengthen the profit base of the Core Dairy Foods Products that constitute the Group’s business foundation and implement a recovery in the B-to-B Business (commercial dairy products)
 - Invest in growth areas to further strengthen the business base
(Planned to start operation after April 2024: expanded manufacturing building at the Kobe Plant and other initiatives)
 - Strengthen shareholder returns

(“Notice Concerning Decision on Matters Relating to Acquisition of Treasury Shares and Cancellation of Treasury Shares” announced in May 2023)

- Efforts to promote sustainability management

(Contribution to wellness through our main business, measures to address environmental issues such as climate change and the problem of plastics, giving due consideration to human rights and diversity, promotion of sustainability awareness throughout the Group, etc.)

As a result, consolidated net sales increased. In the Nutrition and Healthcare Foods Business and the Core Dairy Foods Business, we made efforts to revise prices of yogurt, infant formula, beverages, cheese, milk, chilled desserts, and other products, and to provide high-value-added products such as functional yogurt, “Mt. RAINIER CAFFÈ LATTE,” and ice cream. Overall net sales increased due to price revisions, the increase in revenue in the B-to-B Business following the recovery in consumption, growth in the Global Business, which was in part the result of the contribution of newly consolidated overseas subsidiaries, and growth of subsidiaries in Japan.

In terms of consolidated profit, we continued to be affected by higher costs in a range of areas, but centered on raw material prices and various operation costs. For raw materials in particular, the trade price of raw milk for dairy products was hiked in April 2023, that for beverages and fermented milk products in August 2023, and that for butter and cream in December 2023. There have also been new cost increases, such as the temporary tax burden associated with the sale of the former Tokyo Plant site that took place in April 2023, and the amortization of goodwill from M&A deals. In response, we further promoted price revisions, improvement of product mix through expansion of high-profit-margin businesses and products, and Group-wide cost reviews. As a result of continuing to promote existing initiatives, both net sales and profit increased in the nine months ended December 31, 2023. In addition, although profits decreased in reaction at MILEI to the strong performance of the previous fiscal year, we continue to move forward with initiatives aimed at achieving growth over the medium to long term.

Also, due in part to the recording of ¥65.7 billion in extraordinary income from the sale of the former Tokyo Plant site in the first quarter, profit attributable to owners of parent increased significantly, by 417.8% year on year, to ¥62,798 million.

Consolidated net sales	¥423,241 million	(+4.4% YoY)
Consolidated operating profit	¥28,015 million	(+36.9% YoY)
Consolidated ordinary profit	¥28,572 million	(+32.7% YoY)
Profit attributable to owners of parent	¥62,798 million	(+417.8% YoY)
(Other important operating indicators)		
Operating profit to net sales	6.6%	
ROE	25.1%	
Global business sales ratio	11.4%	

(Reference) Overview of the results by business field (four pillars of business) in the Medium-term Business Plan 2022–2024

1. Nutrition and Healthcare Foods Business: In addition to working to revise selling prices for yogurt, we continued to focus on expanding functional yogurt sales, and “Bifidus Yogurt” and “PARTHENO” performed well against the background of a rise in health awareness. Net sales increased for the business as a whole, due in part to the contribution of nutritional food products such as infant formula and CLINICO Co., Ltd., which sells liquid foods and other items.

In terms of profits, although we were affected by the rise in prices for raw materials and increased operational costs, we endeavored to revise selling prices and improve the product mix and cut costs, and succeeded in increasing profits.

Nutrition and Healthcare Foods Business net sales	¥96,812 million	(+2.8% YoY)
Nutrition and Healthcare Foods Business operating profit	¥6,183 million	(+¥1,389 million YoY)

2. Core Dairy Foods Business: Although we were affected by the rise in prices for raw materials and increased operational costs, we achieved higher net sales and profits for the business as a whole by revising selling prices for beverages, cheese, milk, chilled deserts, and other products, working to improve the product mix by expanding sales of high value-added products such as “Mt. RAINIER CAFFÈ LATTE” and ice cream, and cutting costs.

Core Dairy Foods Business net sales	¥137,439 million	(+3.3% YoY)
Core Dairy Foods Business operating profit	¥10,077 million	(+¥3,964 million YoY)

3. B-to-B Business: Although we were affected by the rise in prices for raw materials and increased operational costs, in the commercial dairy products that account for a high percentage of sales, we moved forward with sales expansion following the recovery in consumption, and with revisions to selling prices, which resulted in higher sales and profits for the business as a whole. We continue to see high interest in functional ingredients, including the Company’s own bacteria, as a result of increasing health needs.

B-to-B Business net sales	¥73,644 million	(+3.9% YoY)
B-to-B Business operating profit	¥3,917 million	(+¥2,605 million YoY)

4. Global Business: The export business recorded lower revenue, as did MILEI GmbH, where sales declined in reaction to the significant expansion of the previous fiscal year. However, contributions by NutriCo Morinaga (Pvt.) Ltd., Turtle Island Foods, Inc., and Morinaga Le May Vietnam Joint Stock Company, which became new consolidated subsidiaries through M&A, led to higher sales for the business as a whole.

In terms of profits, the business as a whole posted lower profits due to the decline at MILEI in reaction to the previous fiscal year, rising prices for raw materials, and the increase in amortization of goodwill resulting from M&A and other factors.

Global Business net sales	¥48,359 million	(+6.6% YoY)
Global Business operating profit	¥4,899 million	(-¥1,765 million YoY)

(2) Explanation of consolidated financial position

Total assets at the end of the third quarter of the consolidated fiscal year under review increased by ¥85,269 million to ¥572,711 million compared to the end of the previous fiscal year. This was mainly due to an increase in cash and deposits and notes and accounts receivable—trade and contract assets, despite a decrease in “other” of current assets.

Total liabilities were ¥289,891 million, up ¥30,698 million from the end of the previous fiscal year. This was mainly due to an increase in income taxes payable, despite a decline in commercial papers.

Net assets were ¥282,820 million, up ¥54,571 million from the end of the previous fiscal year. This was mainly attributable to an increase in retained earnings.

As a result, the shareholders’ equity ratio was 48.5%, compared with 45.7% at the end of the previous fiscal year.

(3) Explanation of forward-looking information including consolidated earnings forecasts

There is no amendment to consolidated earnings forecasts for the fiscal year ending March 31, 2024, disclosed on October 26, 2023.

The year-end dividend forecast for FYE March 2024 is announced on February 9, 2024, under which it is set to increase by 10 yen to 60 yen per share.

(Reference) Forecast for the fiscal year ending March 2024 by business field (four pillars of business) in the Medium-term Business Plan 2022–2024

Nutrition and Healthcare Foods Business net sales	¥127,000 million	(+2.7% YoY)
Nutrition and Healthcare Foods Business operating profit	¥6,700 million	(+¥1,121 million YoY)
Core Dairy Foods Business net sales	¥178,000 million	(+4.6% YoY)
Core Dairy Foods Business operating profit	¥8,900 million	(+¥3,763 million YoY)
B-to-B Business net sales	¥98,000 million	(+5.2% YoY)
B-to-B Business operating profit	¥3,700 million	(+¥2,202 million YoY)
Global Business net sales	¥63,800 million	(+7.5% YoY)
Global Business operating profit	¥5,500 million	(-¥4,643 million YoY)

2. Quarterly Consolidated Financial Statements and Notes
(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Assets		
Current assets		
Cash and deposits	21,096	75,734
Notes and accounts receivable—trade and contract assets	65,354	81,690
Merchandise and finished goods	49,482	48,016
Work in process	1,221	1,759
Raw materials and supplies	23,679	24,357
Other	18,676	10,676
Allowance for doubtful accounts	(322)	(564)
Total current assets	179,189	241,670
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	84,576	86,142
Machinery, equipment and vehicles, net	94,940	97,962
Land	53,959	53,803
Other, net	15,879	29,089
Total property, plant and equipment	249,355	266,998
Intangible assets		
Goodwill	9,956	10,800
Other	12,946	14,837
Total intangible assets	22,903	25,638
Investments and other assets		
Investment securities	21,760	24,484
Other	14,377	13,986
Allowance for doubtful accounts	(145)	(65)
Total investments and other assets	35,992	38,405
Total non-current assets	308,252	331,041
Total assets	487,441	572,711

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023
Liabilities		
Current liabilities		
Notes and accounts payable–trade	53,844	58,917
Electronically recorded obligations–operating	4,600	5,788
Short-term borrowings	5,233	4,174
Current portion of long-term borrowings	7,952	7,922
Commercial papers	10,000	–
Current portion of bonds payable	–	10,000
Income taxes payable	2,927	28,592
Accrued expenses	35,991	35,158
Deposits received	15,733	21,224
Other	20,324	27,966
Total current liabilities	156,607	199,746
Non-current liabilities		
Bonds payable	55,000	45,000
Long-term borrowings	20,196	16,238
Retirement benefit liability	21,483	21,862
Other	5,905	7,044
Total non-current liabilities	102,585	90,145
Total liabilities	259,192	289,891
Net assets		
Shareholders' equity		
Share capital	21,821	21,821
Capital surplus	19,985	19,998
Retained earnings	186,518	235,234
Treasury stock	(14,316)	(14,243)
Total shareholders' equity	214,009	262,811
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,591	10,538
Deferred gains or losses on hedges	(49)	(7)
Foreign currency translation adjustment	1,549	5,259
Remeasurements of defined benefit plans	(1,198)	(1,007)
Total accumulated other comprehensive income	8,893	14,782
Subscription rights to shares	124	119
Non-controlling interests	5,222	5,106
Total net assets	228,249	282,820
Total liabilities and net assets	487,441	572,711

(2) Quarterly consolidated statements of income and consolidated statements of comprehensive income

(Consolidated statements of income)

(April 1, 2023 – December 31, 2023)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Net sales	405,224	423,241
Cost of sales	313,600	319,548
Gross profit	91,624	103,693
Selling, general and administrative expenses	71,163	75,677
Operating profit	20,460	28,015
Non-operating income		
Interest income	25	23
Dividends income	703	886
Rental income from buildings	214	212
Foreign exchange gains	375	698
Other	638	643
Total non-operating income	1,957	2,464
Non-operating expenses		
Interest expenses	551	908
Share of loss of entities accounted for using equity method	44	101
Loss on valuation of derivatives	–	518
Other	292	379
Total non-operating expenses	887	1,907
Ordinary profit	21,529	28,572
Extraordinary income		
Gain on sales of non-current assets	428	65,761
Other	45	166
Total extraordinary income	474	65,927
Extraordinary losses		
Gain on disposal of non-current assets	359	445
Contributions to the public interest incorporated foundation Hikari Kyokai	1,380	1,380
Impairment losses	1,226	–
Rebuilding-related losses	333	252
Other	438	412
Total extraordinary losses	3,738	2,491
Profit before income taxes	18,265	92,008
Income taxes	6,016	29,149
Profit	12,248	62,859
Profit attributable to non-controlling interests	120	60
Profit attributable to owners of parent	12,128	62,798

(Consolidated statements of comprehensive income)
(April 1, 2023 – December 31, 2023)

(Millions of yen)

	Nine months ended December 31, 2022	Nine months ended December 31, 2023
Profit	12,248	62,859
Other comprehensive income		
Valuation difference on available-for-sale securities	1,051	1,964
Deferred gains or losses on hedges	(89)	45
Foreign currency translation adjustment	2,951	3,370
Remeasurements of defined benefit plans	141	191
Share of other comprehensive income of entities accounted for using equity method	56	22
Total other comprehensive income	4,111	5,595
Comprehensive income	16,360	68,455
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,260	68,688
Comprehensive income attributable to non-controlling interests	99	(233)

(3) Notes regarding the quarterly consolidated financial statements

(Notes on premise of going concern)

No items to report.

(Notes on significant changes in the amount of shareholders' equity)

In accordance with the resolution made at the meeting of the Board of Directors held on May 15, 2023, the Company acquired 1,856,400 treasury shares. As a result of the acquisition, treasury shares increased by ¥9,999 million.

The Company cancelled 1,856,400 shares of its treasury stock effective November 17, 2023. As a result of the cancellation, retained earnings decreased by ¥9,999 million and treasury shares decreased by ¥9,999 million.

Reflecting the foregoing and other factors, retained earnings stood at ¥235,234 million and treasury shares at ¥14,243 million as of the end of the third quarter of the consolidated fiscal year under review.

(Application of special accounting for preparing quarterly consolidated financial statements)

(Assessment of tax expenses)

The Company and its consolidated subsidiaries apply the method that reasonably estimates an effective tax rate to be assessed on profit before income taxes for the fiscal year ending March 31, 2024, including this third quarter of the fiscal year under review after accounting for the tax effects, and multiplies profit before income taxes during the third quarter of the fiscal year ending March 31, 2024 by said estimated effective tax rate.