

November 2, 2023

Consolidated Financial Results

Kikkoman Corporation Flash Report for Fiscal 2024 2Q (IFRS) (Consolidated)

Six-month period ended September 30, 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:	November 14, 2023
Scheduled date for cash dividend payments:	December 6, 2023
Supplementary Schedules for quarter:	Yes
Results briefing for quarter:	Yes

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

1. Business Performance for the Six-month Period Ended September 30, 2023 (April 1, 2023 to September 30, 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 - Sep. 30, 2023	322,733	5.7	38,170	20.2	33,484	10.4	37,854	16.6
Apr. 1, 2022 - Sep. 30, 2022	305,378	22.8	31,751	14.9	30,343	12.0	32,459	9.5

	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 - Sep. 30, 2023	28,809	23.7	67,408	6.5
Apr. 1, 2022 - Sep. 30, 2022	23,292	9.0	63,277	159.4

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Apr. 1, 2023 - Sep. 30, 2023	150.80	—
Apr. 1, 2022 - Sep. 30, 2022	121.62	—

(Note) 1. 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
Sep. 30, 2023	619,180	466,577	459,802	74.3%
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: Yes
 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	265.23

(Note) Revisions to recently announced forecasts of business performance: Yes

[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)

September 30, 2023	—	193,883,202 shares	March 31, 2023	—	193,883,202 shares
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- ② Treasury stock at end of period

September 30, 2023	—	3,418,325 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)

September 30, 2023	—	191,044,665 shares	September 30, 2022	—	191,520,408 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 September 30, 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 promised 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, etc., 3) Explanation of forward-looking statements, including forecasts of consolidated business performance.

(How to obtain business performance presentation materials)

- (1) Kikkoman will publish supplementary schedules to the first half results on TD-net for viewing in Japan, and on its website.
- (2) Kikkoman plans to publish business performance presentation materials on its website.

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1. Qualitative Information and Consolidated Financial Statements

1) Explanation of business performance

During the first six 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 in the Foods—Manufacturing and Sales business due to an increase in sales of soy sauce and liquor and wine from the year ago level, although sales of food products and beverages declined year on year. 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 six months of fiscal 2024 were as follows.

<Consolidated Financial Statements>

(Millions of yen, %)

(millions of yen, %)

	FY2023 2Q		FY2024 2Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2022 – 9.30.2022		4.1.2023 – 9.30.2023							
	Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Revenue	305,378	100.0	322,733	100.0	17,354	105.7	—	13,015	4,339	101.4
Business Profit	31,751	10.4	38,170	11.8	6,418	120.2	1.4	2,060	4,358	113.7
Operating Profit	30,343	9.9	33,484	10.4	3,140	110.4	0.5	1,574	1,566	105.2
Profit before income taxes	32,459	10.6	37,854	11.7	5,394	116.6	1.1	1,764	3,629	111.2
Profit for the period attributable to owners of the parent	23,292	7.6	28,809	8.9	5,516	123.7	1.3	1,239	4,277	118.4
Exchange Rate (¥/US\$)	133.46		141.31		7.85					
(¥/EUR)	138.79		153.51		14.72					

<Reporting Segments>

(Millions of yen, %)

		FY2023 2Q		FY2024 2Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2022 – 9.30.2022		4.1.2023 – 9.30.2023						Amount /YoY	
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Domestic Foods—Manufacturing and Sales	Revenue	73,830	100.0	74,328	100.0	497	100.7	—	—	497	100.7
	Business Profit	5,666	7.7	5,758	7.7	91	101.6	—	—	91	101.6
Domestic Others	Revenue	10,820	100.0	10,702	100.0	(117)	98.9	—	—	(117)	98.9
	Business Profit	966	8.9	509	4.8	(457)	52.7	(4.1)	—	(457)	52.7
Overseas Foods—Manufacturing and Sales	Revenue	71,722	100.0	77,027	100.0	5,305	107.4	—	4,503	802	101.1
	Business Profit	14,550	20.3	19,006	24.7	4,455	130.6	4.4	1,248	3,207	122.0
Overseas Foods—Wholesale	Revenue	167,092	100.0	179,492	100.0	12,399	107.4	—	9,149	3,250	101.9
	Business Profit	11,329	6.8	13,724	7.6	2,395	121.1	0.8	663	1,731	115.3
Adjustments	Revenue	(18,086)	100.0	(18,817)	100.0	(730)	—	—	(636)	(94)	—
	Business Profit	(761)	—	(828)	—	(66)	—	—	148	(215)	—
Consolidated Total	Revenue	305,378	100.0	322,733	100.0	17,354	105.7	—	13,015	4,339	101.4
	Business Profit	31,751	10.4	38,170	11.8	6,418	120.2	1.4	2,060	4,358	113.7
Exchange Rate (¥/US\$)		133.46		141.31		7.85					
(¥/EUR)		138.79		153.51		14.72					

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 of products in Japan 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 lower than the year-ago level. Although sales of *Choyakiniku no Tare* grew steadily, sales of the mainstay *Wagaya wa Yakinikuyasan* series saw sluggish growth. Sales of the *Uchi no Gohan* series (handy Japanese-style seasoning mixes) decreased year on year. Sales rose year on year for Del Monte seasonings due to growth in sales in the industrial- and foodservice-use sectors, which offset a sales decline in the home-use sector. 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 decreased 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. Sales of Del Monte beverages decreased year on year, reflecting a year-on-year decline in sales of vegetable 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* revised in August 2023 chiefly due to a 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 0.7% year on year, to ¥74,328 million, and business profit increasing 1.6% year on year, to ¥5,758 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 1.1% year on year, to ¥10,702 million, and business profit decreasing 47.3% year on year, to ¥509 million.

【Overseas】

Sales 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. Sales 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 year on year in certain key markets such as Germany and the Netherlands, but declined from the year-ago level in other markets, particularly France. Overall sales increased year on 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 partly due to the impact of exchange rate translation.

■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 Country Life, LLC on July 31, 2023, respectively.

Sales decreased year on year for the Other Foods Division partly due to the transfers.

As a result of the above, the Foods—Manufacturing and Sales segment recorded higher revenue and higher profit, with revenue increasing 7.4% year on year, to ¥77,027 million, and business profit increasing 30.6% year on year, to ¥19,006 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 7.4% year on year, to ¥179,492 million, and business profit increasing 21.1% year on year, to ¥13,724 million.

As a result of the aforementioned segment results, the Company reported consolidated revenue for the first six-months of fiscal 2024 of ¥322,733 million increasing 5.7% year on year, business profit of ¥38,170 million increasing 20.2%, operating profit of ¥33,484 million increasing 10.4%, and profit for the period attributable to owners of the parent of ¥28,809 million increasing 23.7%.

2) Explanation of financial position

(Assets)

Current assets as of September 30, 2023, were ¥307,925 million, up ¥26,714 million from March 31, 2023. This was mainly due to increases in cash and cash equivalents and other financial assets(current). Non-current assets were ¥311,255 million, up ¥26,080 million from March 31, 2023. This was largely attributable to increases in other financial assets(non-current) and property, plant and equipment.

As a result, total assets increased ¥52,794 million from March 31, 2023, to ¥619,180 million.

(Liabilities)

Current liabilities as of September 30, 2023, were ¥96,417 million, down ¥2,338 million from March 31, 2023. This was mainly due to a decrease in trade and other payables which offset increases in income tax payable and short-term lease liabilities. Non-current liabilities were ¥56,185 million, up ¥5,524 million from March 31, 2023. This was largely due to increases in long-term lease liabilities and deferred tax liabilities.

As a result, total liabilities increased ¥3,186 million from March 31, 2023, to ¥152,603 million.

(Equity)

Equity as of September 30, 2023, was ¥466,577 million, up ¥49,607 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 74.3% (72.5% on March 31, 2023).

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

The consolidated business performance forecasts for the fiscal year ending March 31, 2024 have been revised from the previous forecast following a review of the impact of raw materials and other factors, after taking into consideration the consolidated business results through the second quarter, the impact of foreign currency translation with an exchange rate of 141.31 yen/USD for the first half of the fiscal year, the change in the assumption for the second half from 130 yen/USD to 145 yen/USD (142.66 yen/USD for the year), and the impact of the dissolution and liquidation of our specified subsidiary, KI NutriCare, Inc. The Group has not made any significant changes in the business risks that may affect results that were disclosed in the securities report submitted on June 29, 2023. For details, please refer to “Notice Regarding Revision of Financial Results Forecast and Dividend Forecast” released today.

(Full year)

(Millions of yen)

	Revenue	Business profit	Operating profit	Profit before income taxes	Profit for the year attributable to owners of the parent	Basic earnings per share (yen)
Previously announced Forecast (A)	637,500	62,700	53,500	59,600	43,900	229.58
Current Revised Forecast (B)	667,700	69,600	61,400	68,600	50,600	265.23
Difference (B－A)	30,200	6,900	7,900	9,000	6,700	—
Percent Change (%)	4.7	11.0	14.8	15.1	15.3	—
Results from Previous Fiscal Year	618,899	58,777	55,370	60,797	43,733	228.37

Note: Assumed foreign currency exchange rates:

Previously announced forecast: US\$ = ¥130.00 EUR = ¥140.00

Forecast as of this announcement: US\$ = ¥142.66 EUR = ¥151.28

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 September 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	99,347	109,364
Trade and other receivables	75,070	80,695
Inventories	92,222	92,437
Other financial assets	4,515	11,972
Other current assets	10,054	13,455
Total current assets	281,211	307,925
Non-current assets:		
Property, plant and equipment	150,675	159,248
Investment properties	9,213	9,205
Right-of-use assets	30,497	35,314
Goodwill	4,657	3,402
Intangible assets	4,795	5,213
Investments in associates accounted for using the equity method	4,248	4,832
Other financial assets	69,680	80,164
Employee defined benefit assets	8,178	10,980
Deferred tax assets	3,058	2,720
Other non-current assets	167	171
Total non-current assets	285,174	311,255
Total assets	566,385	619,180

(Millions of yen)

	As of March 31, 2023	As of September 30, 2023
Liabilities		
Current liabilities:		
Trade and other payables	61,333	56,175
Short-term borrowings and current portion of long-term borrowings	17,054	16,798
Short-term lease liabilities	5,158	6,198
Income tax payable	2,639	4,474
Other financial liabilities	526	626
Other current liabilities	12,042	12,144
Total current liabilities	98,755	96,417
Non-current liabilities:		
Long-term borrowings	400	400
Long-term lease liabilities	28,371	33,057
Deferred tax liabilities	10,051	11,263
Employee defined benefit liabilities	4,658	4,283
Other financial liabilities	3,968	3,959
Other non-current liabilities	3,210	3,222
Total non-current liabilities	50,660	56,185
Total liabilities	149,416	152,603
Equity		
Equity:		
Share capital	11,599	11,599
Capital surplus	13,745	13,799
Retained earnings	329,482	350,397
Treasury stock	(7,326)	(15,531)
Other components of equity	63,012	99,537
Total equity attributable to owners of the parent	410,513	459,802
Non-controlling interests	6,456	6,774
Total equity	416,969	466,577
Total liabilities and equity	566,385	619,180

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)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Revenue	305,378	322,733
Cost of sales	201,929	209,925
Gross profit	103,449	112,808
Selling, general and administrative expenses	71,697	74,637
Business profit	31,751	38,170
Other income	1,187	5,533
Other expenses	2,595	10,219
Operating profit	30,343	33,484
Finance income	12,724	11,553
Finance costs	10,745	7,320
Share of profit (loss) of associates accounted for using the equity method	137	137
Profit before income taxes	32,459	37,854
Income taxes	8,873	8,782
Profit for the period	23,586	29,071
Profit for the period attributable to:		
Owners of the parent	23,292	28,809
Non-controlling interests	293	262
Profit for the period	23,586	29,071
Earnings per share (yen)	121.62	150.80

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit for the period	23,586	29,071
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	712	4,999
Remeasurements of defined benefit plans	(485)	1,278
Share of other comprehensive income (loss) of associates accounted for using the equity method	(121)	491
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	39,372	31,272
Cash flow hedges	213	294
Other comprehensive income for the period, net of tax	39,691	38,336
Total comprehensive income for the period	63,277	67,408
Total comprehensive income for the period attributable to:		
Owners of the parent	62,413	66,845
Non-controlling interests	863	562

3) Condensed Quarterly Consolidated Statements of Changes in Equity

Six months ended September 30, 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			23,292			
Other comprehensive income (loss)					38,802	213
Total comprehensive income (loss)	—	—	23,292	—	38,802	213
Purchase of treasury stock				(512)		
Disposal of treasury stock		0		0		
Share-based payment transactions		29				
Dividends			(7,472)			
Changes in ownership interests in subsidiaries		(28)			3	
Transfer from other components of equity to retained earnings			(511)			
Transfer to non-financial assets						(302)
Total transactions with owners of the parent	—	0	(7,984)	(512)	3	(302)
Balance at end of the period	11,599	13,697	312,425	(7,321)	63,405	16

	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			—	23,292	293	23,586
Other comprehensive income (loss)	598	(492)	39,121	39,121	570	39,691
Total comprehensive income (loss)	598	(492)	39,121	62,413	863	63,277
Purchase of treasury stock			—	(512)		(512)
Disposal of treasury stock			—	0		0
Share-based payment transactions			—	29		29
Dividends			—	(7,472)	(246)	(7,718)
Changes in ownership interests in subsidiaries			3	(25)	(43)	(68)
Transfer from other components of equity to retained earnings	19	492	511	—		—
Transfer to non-financial assets			(302)	(302)		(302)
Total transactions with owners of the parent	19	492	213	(8,282)	(289)	(8,571)
Balance at end of the period	18,124	—	81,546	411,947	6,666	418,613

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Six months ended September 30, 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			28,809			
Other comprehensive income (loss)					30,974	294
Total comprehensive income (loss)	—	—	28,809	—	30,974	294
Purchase of treasury stock				(8,216)		
Disposal of treasury stock						
Share-based payment transactions		53		11		
Dividends			(9,196)			
Changes in ownership interests in subsidiaries						
Transfer from other components of equity to retained earnings			1,302			
Transfer to non-financial assets						(208)
Total transactions with owners of the parent	—	53	(7,893)	(8,204)	—	(208)
Balance at end of the period	11,599	13,799	350,397	(15,531)	75,819	21

	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			—	28,809	262	29,071
Other comprehensive income (loss)	5,493	1,274	38,036	38,036	300	38,336
Total comprehensive income (loss)	5,493	1,274	38,036	66,845	562	67,408
Purchase of treasury stock			—	(8,216)		(8,216)
Disposal of treasury stock			—	—		—
Share-based payment transactions			—	65		65
Dividends			—	(9,196)	(244)	(9,440)
Changes in ownership interests in subsidiaries			—	—		—
Transfer from other components of equity to retained earnings	(28)	(1,274)	(1,302)	—		—
Transfer to non-financial assets			(208)	(208)		(208)
Total transactions with owners of the parent	(28)	(1,274)	(1,511)	(17,556)	(244)	(17,800)
Balance at end of the period	23,696	—	99,537	459,802	6,774	466,577

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:

	Six months ended September 30, 2022						Consolidated (Millions of yen)
	Domestic Foods— Manufacturing and Sales	Domestic Others	Overseas Foods— Manufacturing and Sales	Overseas Foods— Wholesale	Total	Adjustments	
Revenue							
External revenue	72,141	3,886	62,314	167,037	305,378	—	305,378
Inter-segment revenue	1,689	6,933	9,408	55	18,086	(18,086)	—
Total	73,830	10,820	71,722	167,092	323,465	(18,086)	305,378
Segment profit (loss)	5,666	966	14,550	11,329	32,513	(761)	31,751
Other income	—	—	—	—	—	—	1,187
Other expenses	—	—	—	—	—	—	2,595
Finance income	—	—	—	—	—	—	12,724
Finance costs	—	—	—	—	—	—	10,745
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	137
Profit before income taxes	—	—	—	—	—	—	32,459

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

	Six months ended September 30, 2023						Consolidated (Millions of yen)
	Domestic Foods— Manufacturing and Sales	Domestic Others	Overseas Foods— Manufacturing and Sales	Overseas Foods— Wholesale	Total	Adjustments	
Revenue							
External revenue	72,586	3,886	66,821	179,439	322,733	—	322,733
Inter-segment revenue	1,742	6,816	10,206	52	18,817	(18,817)	—
Total	74,328	10,702	77,027	179,492	341,551	(18,817)	322,733
Segment profit (loss)	5,758	509	19,006	13,724	38,998	(828)	38,170
Other income	—	—	—	—	—	—	5,533
Other expenses	—	—	—	—	—	—	10,219
Finance income	—	—	—	—	—	—	11,553
Finance costs	—	—	—	—	—	—	7,320
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	137
Profit before income taxes	—	—	—	—	—	—	37,854

(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.