

August 4, 2023

Consolidated Financial Results

Kikkoman Corporation Flash Report for Fiscal 2024 1Q (IFRS) (Consolidated)

Three-month period ended June 30, 2023

Listed company name:	Kikkoman Corporation
Shares listed:	Prime
Code No.:	2801
URL:	https://www.kikkoman.com
Representative:	Shozaburo Nakano, President and Chief Executive Officer
Contact:	Kazuki Usui, General Manager, Corporate Communication Department
E-mail:	ir@mail.kikkoman.co.jp
Scheduled submission date of quarterly accounting report:	August 10, 2023
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 Three-month Period Ended June 30, 2023 (April 1, 2023 to June 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 - Jun. 30, 2023	158,506	7.3	18,579	12.9	13,458	(14.3)	15,806	(6.9)
Apr. 1, 2022 - Jun. 30, 2022	147,748	19.4	16,452	15.0	15,702	9.5	16,979	5.6

	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 - Jun. 30, 2023	10,619	(12.4)	39,649	2.5
Apr. 1, 2022 - Jun. 30, 2022	12,127	4.5	38,691	239.3

	Basic earnings per share (yen)	Diluted earnings per share (yen)
Apr. 1, 2023 - Jun. 30, 2023	55.50	—
Apr. 1, 2022 - Jun. 30, 2022	63.31	—

(Notes) 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
Jun. 30, 2023	598,671	444,602	438,101	73.2%
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	—				
Apr. 1, 2023 -Mar. 31, 2024 (Estimated)		34.00	—	35.00	69.00

(Note) Revisions to recently announced forecasts of dividends: No

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	637,500	3.0	62,700	6.7	53,500	(3.4)	59,600	(2.0)

	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	43,900	0.4	229.58

(Note) Revisions to recently announced forecasts of business performance: No

[Notes]

1) Changes in important subsidiaries during the period (Changes in certain specific subsidiaries resulting in a revised scope of consolidation): None

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)

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

June 30, 2023	—	2,721,016 shares	March 31, 2023	—	2,405,842 shares
---------------	---	------------------	----------------	---	------------------
- ③ Average shares outstanding during the period (cumulative from the beginning of the fiscal year)

June 30, 2023	—	191,353,780 shares	June 30, 2022	—	191,537,272 shares
---------------	---	--------------------	---------------	---	--------------------

(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. (57,605 shares as of June 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, 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 first quarter results on TD-net for viewing in Japan, and on its website.

Table of Contents of Attachments

1. Qualitative Information and Consolidated Financial Statements	5
1) Explanation of business performance	5
2) Explanation of financial position	9
3) Explanation of forward-looking statements, including forecasts of consolidated business performance	9
2. Condensed Quarterly Consolidated Financial Statements and Main Notes	10
1) Condensed Quarterly Consolidated Statements of Financial Position	10
2) Condensed Quarterly Consolidated Statements of Profit or Loss and Condensed Quarterly Consolidated Statements of Comprehensive Income	12
(Condensed Quarterly Consolidated Statements of Profit or Loss)	12
(Condensed Quarterly Consolidated Statements of Comprehensive Income)	13
3) Condensed Quarterly Consolidated Statements of Changes in Equity	14
4) Notes on Condensed Quarterly Consolidated Financial Statements	16
(Notes Regarding Going Concern)	16
(Segment Information)	16

1. Qualitative Information and Consolidated Financial Statements

1) Explanation of business performance

During the first three months of the fiscal year under review, the global economic situation saw a moderate recovery on the strength of overall improvements. However, the situation remained sluggish in certain areas. In these circumstances, overall domestic sales of the Group fell year on year in the Foods—Manufacturing and Sales business due to a decline in sales of food products and beverages from the year-ago level, although sales of soy sauce and liquor and wine increased year on year. Overseas, sales increased year on year with strong performance in both the Foods—Manufacturing and Sales and the Foods—Wholesale businesses. As a result, consolidated results for the first three months of fiscal 2024 were as follows.

<Consolidated Financial Statements>

(Millions of yen, %)

(Millions of yen, %)

	FY2023 1Q		FY2024 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
	4.1.2022 – 6.30.2022		4.1.2023 – 6.30.2023							
	Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Revenue	147,748	100.0	158,506	100.0	10,758	107.3	—	6,974	3,784	102.6
Business Profit	16,452	11.1	18,579	11.7	2,126	112.9	0.6	1,071	1,054	106.4
Operating Profit	15,702	10.6	13,458	8.5	(2,243)	85.7	(2.1)	725	(2,968)	81.1
Profit before income taxes	16,979	11.5	15,806	10.0	(1,172)	93.1	(1.5)	828	(2,000)	88.2
Profit for the period attributable to owners of the parent	12,127	8.2	10,619	6.7	(1,507)	87.6	(1.5)	555	(2,062)	83.0
Exchange Rate (¥/US\$)	129.04		138.11		9.07					
(¥/EUR)	138.24		150.35		12.11					

<Reporting Segments>

(Millions of yen, %)

Reporting Segments		FY2023 1Q		FY2024 1Q		Increase /Decrease			Translation difference	Increase /Decrease except translation difference	
		4.1.2022 – 6.30.2022		4.1.2023 – 6.30.2023							
		Amount	%	Amount	%	Amount	YoY	%		Amount	YoY
Domestic Foods—Manufacturing and Sales	Revenue	36,996	100.0	36,654	100.0	(342)	99.1	—	—	(342)	99.1
	Business Profit	3,291	8.9	2,803	7.6	(488)	85.2	(1.3)	—	(488)	85.2
Domestic Others	Revenue	5,406	100.0	5,162	100.0	(243)	95.5	—	—	(243)	95.5
	Business Profit	478	8.8	258	5.0	(219)	54.0	(3.8)	—	(219)	54.0
Overseas Foods—Manufacturing and Sales	Revenue	34,716	100.0	38,026	100.0	3,309	109.5	—	2,442	867	102.5
	Business Profit	7,306	21.0	9,236	24.3	1,929	126.4	3.3	650	1,279	117.5
Overseas Foods—Wholesale	Revenue	79,662	100.0	87,915	100.0	8,253	110.4	—	4,855	3,397	104.3
	Business Profit	5,733	7.2	6,725	7.7	992	117.3	0.5	350	641	111.2
Adjustments	Revenue	(9,033)	100.0	(9,251)	100.0	(218)	—	—	(324)	106	—
	Business Profit	(357)	—	(444)	—	(87)	—	—	69	(157)	—
Consolidated Total	Revenue	147,748	100.0	158,506	100.0	10,758	107.3	—	6,974	3,784	102.6
	Business Profit	16,452	11.1	18,579	11.7	2,126	112.9	0.6	1,071	1,054	106.4
Exchange Rate (¥/US\$)		129.04		138.11		9.07					
(¥/EUR)		138.24		150.35		12.11					

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 *Tsuu* (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 and products in conventional plastic bottles such as *Tokusen Marudaizu Shoyu* decreased from the year-ago level, despite the continued implementation of TV advertisement-focused marketing measures aimed at communicating products' added value. 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 at restaurants. Prices of soy sauce products, excluding those that had been revised in February 2023, were revised in April 2023, mainly against the backdrop of a surge in 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. Sales of the *Uchi no Gohan* series (handy Japanese-style seasoning mixes) increased year on year, reflecting strong sales of *Osozai no Moto* series. Sales of Del Monte seasonings decreased year on year. The prices of *tsuyu* and *ponzu* products were revised in April 2023, mainly due to a surge in prices of raw materials. 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 increased from the year-ago level on the back of a year-on-year increase in sales of cooking wine. 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 lower revenue and lower profit, with revenue decreasing 0.9% year on year, to ¥36,654 million, and business profit decreasing 14.8% year on year, to ¥2,803 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 4.5% year on year, to ¥5,162 million, and business profit decreasing 46.0% year on year, to ¥258 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 the U.K. and France. Overall sales increased year on year due partly to the impact of exchange rate translation.

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

As a result, overall revenue 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, revenue decreased year on year for this division.

■Other Foods Division

This division manufactures and sells health foods, mainly in the North American region.

Revenue increased year on year for the Other Foods Division.

As a result of the above, the Foods—Manufacturing and Sales segment recorded higher revenue and higher profit, with revenue increasing 9.5% year on year, to ¥38,026 million, and business profit increasing 26.4% year on year, to ¥9,236 million.

Foods—Wholesale

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

Sales grew steadily in North America, Europe, Asia and Oceania.

As a result, overall revenue 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 10.4% year on year, to ¥87,915 million, and business profit increasing 17.3% year on year, to ¥6,725 million.

As a result of the aforementioned segment results, the Company reported consolidated revenue for the first three months of fiscal 2024 of ¥158,506 million increasing 7.3% year on year, business profit of ¥18,579 million increasing 12.9%, operating profit of ¥13,458 million decreasing 14.3%, and profit for the period attributable to owners of the parent of ¥10,619 million decreasing 12.4%.

2) Explanation of financial position

(Assets)

Current assets as of June 30, 2023, were ¥299,963 million, up ¥18,752 million from March 31, 2023. This was mainly due to increases in other financial assets (current) and cash and cash equivalents. Non-current assets were ¥298,708 million, up ¥13,533 million from March 31, 2023. This was mainly attributable to increases in other financial assets (non-current) and property, plant and equipment.

As a result, total assets increased ¥32,286 million from March 31, 2023, to ¥598,671 million.

(Liabilities)

Current liabilities as of June 30, 2023, were ¥99,540 million, up ¥784 million from March 31, 2023. This was mainly due to increases in income tax payable and other current liabilities which offset a decrease in trade and other payables. Non-current liabilities were ¥54,529 million, up ¥3,868 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 ¥4,652 million from March 31, 2023, to ¥154,069 million.

(Equity)

Equity as of June 30, 2023, was ¥444,602 million, up ¥27,633 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 73.2% (up from 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 April 27, 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 Statement of Financial Position

	(Millions of yen)	
	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets:		
Cash and cash equivalents	99,347	103,950
Trade and other receivables	75,070	77,128
Inventories	92,222	96,733
Other financial assets	4,515	12,113
Other current assets	10,054	10,037
Total current assets	281,211	299,963
Non-current assets:		
Property, plant and equipment	150,675	155,734
Investment properties	9,213	9,213
Right-of-use assets	30,497	32,591
Goodwill	4,657	3,796
Intangible assets	4,795	4,857
Investments in associates accounted for using the equity method	4,248	4,530
Other financial assets	69,680	75,766
Employee defined benefit assets	8,178	9,059
Deferred tax assets	3,058	2,986
Other non-current assets	167	171
Total non-current assets	285,174	298,708
Total assets	566,385	598,671

	As of March 31, 2023	(Millions of yen) As of June 30, 2023
Liabilities		
Current liabilities:		
Trade and other payables	61,333	56,738
Short-term borrowings and current portion of long-term borrowings	17,054	16,868
Short-term lease liabilities	5,158	5,605
Income tax payable	2,639	5,511
Other financial liabilities	526	2,535
Other current liabilities	12,042	12,280
Total current liabilities	98,755	99,540
Non-current liabilities:		
Long-term borrowings	400	400
Long-term lease liabilities	28,371	30,560
Deferred tax liabilities	10,051	11,951
Employee defined benefit liabilities	4,658	4,429
Other financial liabilities	3,968	3,974
Other non-current liabilities	3,210	3,212
Total non-current liabilities	50,660	54,529
Total liabilities	149,416	154,069
Equity		
Equity:		
Share capital	11,599	11,599
Capital surplus	13,745	13,779
Retained earnings	329,482	331,730
Treasury stock	(7,326)	(9,931)
Other components of equity	63,012	90,923
Total equity attributable to owners of the parent	410,513	438,101
Non-controlling interests	6,456	6,501
Total equity	416,969	444,602
Total liabilities and equity	566,385	598,671

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)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Revenue	147,748	158,506
Cost of sales	96,436	102,874
Gross profit	51,311	55,632
Selling, general and administrative expenses	34,858	37,052
Business profit	16,452	18,579
Other income	729	1,091
Other expenses	1,479	6,211
Operating profit	15,702	13,458
Finance income	7,977	8,185
Finance costs	6,775	5,914
Share of profit (loss) of associates accounted for using the equity method	75	76
Profit before income taxes	16,979	15,806
Income taxes	4,683	5,020
Profit for the period	12,295	10,786
Profit for the period attributable to:		
Owners of the parent	12,127	10,619
Non-controlling interests	168	167
Profit for the period	12,295	10,786
Earnings per share (yen)	63.31	55.50

(Condensed Quarterly Consolidated Statements of Comprehensive Income)

	(Millions of yen)	
	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit for the period	12,295	10,786
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	931	3,077
Remeasurements of defined benefit plans	(333)	831
Share of other comprehensive income (loss) of associates accounted for using the equity method	(36)	249
Items that are or may be reclassified subsequently to profit or loss		
Foreign currency translation adjustments	25,576	24,478
Cash flow hedges	257	224
Other comprehensive income for the period, net of tax	26,395	28,862
Total comprehensive income for the period	38,691	39,649
Total comprehensive income for the period attributable to:		
Owners of the parent	38,232	39,360
Non-controlling interests	458	289

3) Condensed Quarterly Consolidated Statements of Changes in Equity

Three months ended June 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			12,127			
Other comprehensive income (loss)					25,289	257
Total comprehensive income (loss)	—	—	12,127	—	25,289	257
Purchase of treasury stock				(4)		
Disposal of treasury stock		0		0		
Share-based payment transactions						
Dividends			(7,472)			
Transfer from other components of equity to retained earnings			(355)			
Transfer to non-financial assets						(261)
Total transactions with owners of the parent	—	0	(7,828)	(3)	—	(261)
Balance at end of the period	11,599	13,696	301,415	(6,812)	49,800	100

	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			—	12,127	168	12,295
Other comprehensive income (loss)	895	(336)	26,105	26,105	289	26,395
Total comprehensive income (loss)	895	(336)	26,105	38,232	458	38,691
Purchase of treasury stock			—	(4)		(4)
Disposal of treasury stock			—	0		0
Share-based payment transactions			—	—		—
Dividends			—	(7,472)	(246)	(7,718)
Transfer from other components of equity to retained earnings	19	336	355	—		—
Transfer to non-financial assets			(261)	(261)		(261)
Total transactions with owners of the parent	19	336	94	(7,737)	(246)	(7,983)
Balance at end of the period	18,421	—	68,411	388,311	6,304	394,615

Three months ended June 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			10,619			
Other comprehensive income (loss)					24,354	224
Total comprehensive income (loss)	—	—	10,619	—	24,354	224
Purchase of treasury stock				(2,609)		
Disposal of treasury stock						
Share-based payment transactions		34		4		
Dividends			(9,196)			
Transfer from other components of equity to retained earnings			825			
Transfer to non-financial assets						(4)
Total transactions with owners of the parent	—	34	(8,371)	(2,605)	—	(4)
Balance at end of the period	11,599	13,779	331,730	(9,931)	69,198	156

	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			—	10,619	167	10,786
Other comprehensive income (loss)	3,333	827	28,740	28,740	122	28,862
Total comprehensive income (loss)	3,333	827	28,740	39,360	289	39,649
Purchase of treasury stock			—	(2,609)		(2,609)
Disposal of treasury stock			—	—		—
Share-based payment transactions			—	38		38
Dividends			—	(9,196)	(244)	(9,440)
Transfer from other components of equity to retained earnings	2	(827)	(825)	—		—
Transfer to non-financial assets			(4)	(4)		(4)
Total transactions with owners of the parent	2	(827)	(829)	(11,771)	(244)	(12,016)
Balance at end of the period	21,568	—	90,923	438,101	6,501	444,602

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

No applicable items.

(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:

	Three months ended June 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	36,138	1,939	30,034	79,636	147,748	—	147,748
Inter-segment revenue	858	3,466	4,682	26	9,033	(9,033)	—
Total	<u>36,996</u>	<u>5,406</u>	<u>34,716</u>	<u>79,662</u>	<u>156,782</u>	<u>(9,033)</u>	<u>147,748</u>
Segment profit (loss)	3,291	478	7,306	5,733	16,810	(357)	16,452
Other income	—	—	—	—	—	—	729
Other expenses	—	—	—	—	—	—	1,479
Finance income	—	—	—	—	—	—	7,977
Finance costs	—	—	—	—	—	—	6,775
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	75
Profit before income taxes	—	—	—	—	—	—	16,979

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

	Three months ended June 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	35,802	1,761	33,052	87,890	158,506	—	158,506
Inter-segment revenue	851	3,400	4,973	25	9,251	(9,251)	—
Total	<u>36,654</u>	<u>5,162</u>	<u>38,026</u>	<u>87,915</u>	<u>167,758</u>	<u>(9,251)</u>	<u>158,506</u>
Segment profit (loss)	2,803	258	9,236	6,725	19,023	(444)	18,579
Other income	—	—	—	—	—	—	1,091
Other expenses	—	—	—	—	—	—	6,211
Finance income	—	—	—	—	—	—	8,185
Finance costs	—	—	—	—	—	—	5,914
Share of profit (loss) of associates accounted for using the equity method	—	—	—	—	—	—	76
Profit before income taxes	—	—	—	—	—	—	15,806

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