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

January 30, 2024

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
Code: 2002
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Date to submit the Quarterly Securities Report: February 7, 2024
Date to start distributing dividends: —
Supplementary materials for these consolidated financial results: Yes
Results briefing for financial results: None

(Figures shown are rounded down to the nearest million yen.)

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

(1) Consolidated Business Results

(The percentages indicate the rates of increase or decrease compared with the same period of the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First nine months of Fiscal 2024	650,681	8.4	41,894	64.5	43,321	60.2	29,517	—
First nine months of Fiscal 2023	600,005	18.7	25,462	(2.6)	27,040	(8.0)	(22,912)	—

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

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

(2) Consolidated Financial Position

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

(Reference) Equity capital: December 31, 2023: ¥475,603million March 31, 2023: ¥423,833 million

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2023	—	19.00	—	21.00	40.00
Fiscal 2024	—	21.00	—		
Fiscal 2024 (forecast)				21.00	42.00

(Note) Revision to the latest forecast of dividends: None

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

(The percentages indicate the rates of increase or decrease compared with the previous fiscal year.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	850,000	6.4	46,000	40.1	47,000	42.2	30,000	—	100.89

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

* Notes

(1) Changes in important subsidiaries during the period under review (changes in specified subsidiaries involving a change in the scope of consolidation): None

(2) Adoption of special accounting treatment for preparing quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Related Notes (3) Notes on Quarterly Consolidated Financial Statements [Adoption of Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statements]” on page 10 of the Attachment.

(3) Changes in accounting policies, changes in accounting estimates and revisions restated

1) Changes in accounting policies associated with the revisions of accounting standards, etc.: None

2) Changes in accounting policies other than the above: None

3) Changes in accounting estimates: None

4) Revisions restated: None

(4) Number of shares issued and outstanding (common stock)

1) Number of shares issued and outstanding (including treasury shares)	As of December 31, 2023	304,357,891	As of March 31, 2023	304,357,891
2) Number of treasury shares	As of December 31, 2023	6,931,391	As of March 31, 2023	6,979,939
3) Average number of shares outstanding	First nine months of Fiscal 2024	297,378,760	First nine months of Fiscal 2023	297,355,145

* Quarterly earnings reports are not subject to quarterly review by certified public accountants or independent account auditors.

* Statement regarding the proper use of financial forecasts and other special remarks

(1) The statements contained in this document are based on various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related business policies will actually be realized. For details of assumptions for financial forecasts and other related matters, please refer to “1. Qualitative Information for the Period under Review (3) Forecast of Consolidated Financial Results and Other Forward-looking Information” on page 5 of the Attachment.

(2) Supplementary materials for this report can be found on the Company’s website.

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1. Qualitative Information for the Period under Review

(1) Business Performance

[Overview of the Period under Review]

During the first nine months of the fiscal year ending March 31, 2024, the Japanese economy continued to mount a gradual recovery. This reflected the resumption of economic activity largely atop an increase in foot traffic and a rebound in inbound travel to Japan since the reclassification of COVID-19 to Class 5 infectious diseases in May 2023. Meanwhile, prices for wheat and other grains, which had risen sharply primarily due to the situation in Ukraine, also gradually began to calm. Amid this, while the yen's ongoing depreciation in currency exchange markets is a trend that must remain closely watched, bright spots continued to return to the business environment surrounding the Nisshin Seifun Group.

Under these conditions, the Group strives to fulfill its corporate mission of ensuring a stable supply of foods involving wheat flour and the delivery of safe and reliable products in each business area. At the same time, in a push to achieve goals set out in "The Nisshin Seifun Group Medium-Term Management Plan 2026," the Group is giving highest priority this term to efforts to stimulate its ability to grow by restructuring the business portfolio, respond to food inflation, mount a recovery in the Australia flour milling business, pursue environmental policies and enact its digital strategy.

As part of efforts to stimulate the Group's ability to grow by restructuring the business portfolio, in May 2023, we began construction at flour milling subsidiary Nisshin Flour Milling Inc. of the Mizushima Plant ahead of an operational start sometime in May 2025. This move will be accompanied by the scheduled closure of the Okayama and Sakaide plants. Additionally, yeast and biotechnology business subsidiary Oriental Yeast Co., Ltd. opted to close the Saitama Plant, where facilities are worn and operating efficiency has declined, at the end of December 2023, with flour paste production concentrated at the Biwa Plant. In advancing initiatives of this kind, we are taking steps to further improve both productivity and capital efficiency, while also strengthening cost competitiveness.

Elsewhere, in October 2023, we established a new Sustainability Committee to promote initiatives for addressing the Group's sustainability priorities and further enhance structures for reflecting environment (E), social (S) and governance (G) measures in business strategy. In environment measures, ahead of efforts to reduce CO₂ emissions at the Group's own sites in fiscal 2030 by 50% (versus fiscal 2013), we entered an Offsite Corporate Power Purchase Agreement (PPA) with Marubeni Power Retail Corporation. This agreement saw all power consumed by Nisshin Flour Milling's Tsurumi Plant, Japan's largest flour milling plant by scale, effectively switched over to renewable energy from November 2023. This move will lead to a reduction in CO₂ of more than roughly 27,000 tons annually.

With respect to performance, consolidated net sales for the first nine months of the fiscal year ending March 31, 2024, increased 8.4% year on year to ¥650,681 million. Factors driving growth included enactment of price revisions for wheat flour in the flour milling business in Japan, beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd., and the enactment of product price revisions in the Processed Food and Prepared Dishes and Other Prepared Foods segments. On the profit side, operating profit increased 64.5% year on year to ¥41,894 million, ordinary profit rose 60.2% to ¥43,321 million and profit attributable to owners of parent came to ¥29,517 million, compared to a loss of ¥22,912 million a year earlier. Together with the enactment of price revisions in each business area that also compensated for delays in shifting higher costs to prices in the previous term, profits rose atop effects from the new consolidation of Kumamoto Flour Milling Co., Ltd. and firm sales prices for bran in the flour milling business in Japan, a decrease in the amortization of goodwill accompanying an impairment loss reported in the previous year for the Australia flour milling business, and both a performance recovery in the processed food business and robust performance from the prepared dishes and other prepared foods business.

(Year-on-year Comparison)

(Millions of yen)

	First nine months of Fiscal 2023	First nine months of Fiscal 2024	Difference	Change
Net sales	600,005	650,681	50,675	8.4%
Operating profit	25,462	41,894	16,432	64.5%
Ordinary profit	27,040	43,321	16,280	60.2%
Profit (loss) attributable to owners of parent	(22,912)	29,517	52,429	–

[Business Overview by Segment]

1) Flour Milling Segment

(Millions of yen)

	First nine months of Fiscal 2023	First nine months of Fiscal 2024	Difference	Change
Net sales	313,345	346,849	33,504	10.7%
Operating profit	12,191	24,371	12,179	99.9%

In the flour milling business in Japan, shipments were on par with the previous year despite effects from a fallback in demand for wheat flour due to product price revisions. This outcome mainly reflected increased foot traffic and a recovery in inbound travel to Japan.

In June 2023 and again in January 2024, we implemented price revisions for commercial wheat flour in response to revised government prices for five classes of imported wheat enacted in April and October 2023. On average, the government's price for imported wheat rose 5.8% in April, but was lowered by 11.1% in October 2023.

In the overseas flour milling business, sales were higher year on year mainly due to product price revisions in Australia and foreign currency translation effects from a U.S.-based subsidiary.

As a result, net sales of the Flour Milling Segment increased 10.7% year on year to ¥346,849 million, driven by price revisions for commercial wheat flour in Japan and beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd. in January 2023. Operating profit climbed 99.9% to ¥24,371 million, reflecting benefits mainly from firm sales prices for bran, a byproduct from the flour milling business in Japan, beneficial effects from the new consolidation of Kumamoto Flour Milling Co., Ltd. and a decrease in amortization of goodwill from the reporting of an impairment loss for the flour milling business in Australia in the previous year.

2) Processed Food Segment

(Millions of yen)

	First nine months of Fiscal 2023	First nine months of Fiscal 2024	Difference	Change
Net sales	142,043	152,232	10,189	7.2%
Operating profit	5,527	7,662	2,135	38.6%

In the processed food business, sales were higher year on year, reflecting ongoing implementation of product price revisions in response to rising costs for raw materials in Japan.

In the yeast and biotechnology business, sales were up year on year, mainly reflecting price revisions for yeast enacted in Japan in response to soaring raw material prices and energy costs, coupled with increased sales volume from the yeast business in India.

In the healthcare foods business, sales were lower year on year. October 2023 also saw the new launch of a personal nutrition business (service name: Your Fit) providing supplements personalized to fit the lifestyle and health status of individual customers.

As a result, net sales of the Processed Food Segment increased 7.2% year on year to ¥152,232 million. Operating profit rose 38.6% to ¥7,662 million, lifted by a recovery in performance.

3) Prepared Dishes and Other Prepared Foods Segment

(Millions of yen)

	First nine months of Fiscal 2023	First nine months of Fiscal 2024	Difference	Change
Net sales	113,290	118,943	5,653	5.0%
Operating profit	3,264	5,681	2,416	74.0%

In the Prepared Dishes and Other Prepared Foods Segment, net sales rose 5.0% year on year to ¥118,943 million, atop firm sales mainly from increased foot traffic and a recovery in demand for inbound travel to Japan, coupled primarily with product price revisions. Operating profit increased 74.0% to ¥5,681 million, largely atop product price revisions and improved productivity.

4) Others Segment

(Millions of yen)

	First nine months of Fiscal 2023	First nine months of Fiscal 2024	Difference	Change
Net sales	31,326	32,655	1,328	4.2%
Operating profit	4,338	3,979	(359)	(8.3)%

In the engineering business, sales were lower year on year.

In the mesh cloths business, sales rose year on year mainly atop increased shipments of screen printing materials for solar panels.

As a result, net sales of the Others Segment increased 4.2% year on year to ¥32,655 million, with operating profit down 8.3% to ¥3,979 million. The decline in profit came mainly from a decrease in large-scale projects in the engineering business.

(2) Financial Position

(Millions of yen)

	As of March 31, 2023	As of December 31, 2023	Difference
Current assets	330,069	354,841	24,771
Non-current assets	383,805	430,236	46,430
Total assets	713,874	785,077	71,202
Current liabilities	150,262	156,078	5,815
Non-current liabilities	125,112	137,859	12,746
Total liabilities	275,375	293,937	18,562
Total net assets	438,499	491,139	52,639
Total liabilities and net assets	713,874	785,077	71,202

The status of assets, liabilities and net assets on a consolidated basis at the end of the first nine months of the fiscal year ending March 31, 2024 was as follows.

Current assets increased ¥24,771 million from the previous fiscal year-end to ¥354,841 million, tracking growth in notes and accounts receivable – trade, and contract assets. Non-current assets increased ¥46,430 million to ¥430,236 million, primarily accompanying an increase in the market valuation of investment securities held. As a result, total assets rose ¥71,202 million from the previous fiscal year-end to ¥785,077 million.

Meanwhile, current liabilities increased ¥5,815 million to ¥156,078 million, mainly reflecting an increase in other current liabilities caused by growth in accrued expenses. Non-current liabilities increased 12,746 million to ¥137,859 million, primarily due to an increase in deferred tax liabilities. As a result, total liabilities increased ¥18,562 million from the previous fiscal year-end to ¥293,937 million. Net assets increased ¥52,639 million to ¥491,139 million, mainly reflecting an increase in retained earnings due to profit attributable to owners of parent for the period, a decrease due to the payment of dividends, and an increase in accumulated other comprehensive income.

(3) Forecast of Consolidated Financial Results and Other Forward-looking Information

With respect to the outlook for the fiscal year ending March 31, 2024, we are projecting consolidated net sales to rise 6.4% to ¥850,000 million, operating profit to increase 40.1% to ¥46,000 million, ordinary profit to rise 42.2% year on year to ¥47,000 million, and profit attributable to owners of parent of ¥30,000 million, compared to a loss attributable to owners of parent of ¥10,381 million in the previous fiscal year. This is in line with projections announced on October 27, 2023.

With respect to dividends, the Company has a basic policy that sets a consolidated payout ratio of 40% or higher as standard. Accordingly, as announced on October 27, 2023, the Company plans to pay a full-year dividend of ¥42 per share, ¥2 higher than the previous fiscal year. This is expected to culminate in a projected 11th consecutive year of actual dividend growth.

2. Quarterly Consolidated Financial Statements and Related Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2023 (As of March 31, 2023)	Fiscal 2024 Third Quarter (As of December 31, 2023)
Assets		
Current assets		
Cash and deposits	82,971	93,770
Notes and accounts receivable – trade, and contract assets	107,887	121,284
Inventories	128,786	124,579
Other	11,065	16,033
Allowance for doubtful accounts	(641)	(827)
Total current assets	330,069	354,841
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	71,134	71,197
Machinery, equipment and vehicles, net	60,212	62,255
Land	52,618	53,022
Right-of-use assets	17,060	17,678
Other, net	16,468	21,132
Total property, plant and equipment	217,494	225,287
Intangible assets		
Goodwill	7,496	6,524
Other	16,180	15,492
Total intangible assets	23,677	22,017
Investments and other assets		
Investment securities	124,653	162,935
Other	18,180	20,203
Allowance for doubtful accounts	(200)	(207)
Total investments and other assets	142,633	182,931
Total non-current assets	383,805	430,236
Total assets	713,874	785,077

(Millions of yen)

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

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

[Quarterly Consolidated Statements of Income]

(Millions of yen)

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

[Quarterly Consolidated Statements of Comprehensive Income]

(Millions of yen)

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

(3) Notes on Quarterly Consolidated Financial Statements

[Notes on the Premise of a Going Concern]

There are no applicable matters to be reported.

[Notes on a Significant Change in Shareholders' Equity]

There are no applicable matters to be reported.

[Adoption of Special Accounting Treatment for Preparing Quarterly Consolidated Financial Statements]

Tax expenses are calculated in accordance with Paragraph 15, “Method for Using the Statutory Effective Tax Rate,” of the Practical Guidelines on Tax-Effect Accounting for Preparation of Interim Financial Statements, pursuant to the provision of Paragraph 19 of the Guidance on the Accounting Standard for Quarterly Financial Reporting.

The amount of tax adjustments is included in “Total income taxes.”

[Related to the Quarterly Consolidated Statements of Income]

1. Impairment losses

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

The Group has recognized an impairment loss regarding the assets described below.

Location	Application	Type
Australia	– (Flour Milling business)	Goodwill
	Business assets (Flour Milling business)	Others (intangible assets), property, plant and equipment

The Nisshin Seifun Group categorizes assets based on the smallest unit that largely generates cash flows independently from the cash flows of other assets and asset groups.

In the flour milling business, non-current assets pertaining to the Australia flour milling business experienced a decline in profitability largely attributable to changes in demand due to the COVID-19 pandemic, coupled with the impact of rising costs driven by the situation in Ukraine. Since there is no longer any prospect of a recovery of investment, the Company has reduced the book value of the assets to their recoverable amount, and has recognized an impairment loss of ¥56,046 million as an extraordinary loss. A breakdown of the impairment loss includes ¥31,496 million in goodwill, other (intangible assets) of ¥7,866 million, and ¥16,683 million in property, plant and equipment.

The recoverable amount is measured based on use value. A discount rate of 11.9% was used in the calculation of value in use.

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

The Group has recognized an impairment loss regarding the assets described below.

Location	Application	Type
Niiza City, Saitama Prefecture	Business assets (Processed Food business)	Buildings, machinery and equipment, etc.

The Nisshin Seifun Group categorizes assets based on the smallest unit that largely generates cash flows independently from the cash flows of other assets and asset groups.

In the processed food business, Oriental Yeast Co., Ltd. decided in August 2023 to dismantle and remove its Saitama Plant. The Company has reduced the book value of the assets to their recoverable amount, and has recognized an impairment loss of ¥1,254 million as an extraordinary loss. A breakdown of the impairment loss consists of ¥749 million of impairment loss on buildings, machinery and equipment, etc. and demolition costs of ¥504 million. The net sale value of the buildings, machinery and equipment was evaluated as 0 since it was decided to remove them.

[Segment Information, etc.]

[Segment information]

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

1. Information about net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on quarterly consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	313,345	142,043	113,290	568,678	31,326	600,005	—	600,005
Intersegment sales and transfers	14,573	1,329	3,467	19,371	2,069	21,440	(21,440)	—
Total	327,919	143,373	116,757	588,049	33,395	621,445	(21,440)	600,005
Segment profit	12,191	5,527	3,264	20,983	4,338	25,322	139	25,462

- Notes: 1. Business segment of “Others” is excluded from reportable segment, which includes engineering, mesh cloths, handling and storage businesses.
2. Segment profit adjustment refers to intersegment transaction eliminations and other.
3. Segment profit has been adjusted for the operating profit appearing in the quarterly consolidated statements of income.

2. Information regarding impairment losses or goodwill for non-current assets for each reportable segment

[Material impairment losses pertaining to non-current assets]

In the Flour Milling Segment, due to a decline in profitability, non-current assets pertaining to the Australia flour milling business were deemed to no longer hold any prospect of a recovery of investment, prompting the Company to reduce the book value of the assets to their recoverable value and post an impairment loss. For the first nine months of the fiscal year ended March 31, 2023, the value of this impairment loss was ¥56,046 million.

[Material changes in goodwill]

Due to the recognition of an impairment loss for goodwill pertaining to the Australia flour milling business, goodwill for the Flour Milling Segment for the first nine months of the fiscal year ended March 31, 2023, declined by ¥33,599 million.

II. First nine months of Fiscal 2024 (April 1, 2023 to December 31, 2023)

1. Information about net sales and profit (loss) for each reportable segment

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on quarterly consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	346,849	152,232	118,943	618,026	32,655	650,681	—	650,681
Intersegment sales and transfers	14,575	1,433	3,145	19,154	1,837	20,992	(20,992)	—
Total	361,424	153,666	122,089	637,180	34,492	671,673	(20,992)	650,681
Segment profit	24,371	7,662	5,681	37,715	3,979	41,694	199	41,894

- Notes: 1. Business segment of “Others” is excluded from reportable segment, which includes engineering, mesh cloths, handling and storage businesses.
2. Segment profit adjustment refers to intersegment transaction eliminations and other.
3. Segment profit has been adjusted for the operating profit appearing in the quarterly consolidated statements of income.

2. Information regarding impairment losses or goodwill for non-current assets for each reportable segment

[Material impairment losses pertaining to non-current assets]

In the Processed Food Segment, Oriental Yeast Co., Ltd. in the yeast and biotechnology business decided in August 2023 to dismantle and remove its Saitama Plant. The book value of the plant was reduced to its recoverable value, and an impairment loss was posted. For the first nine months of the fiscal year ending March 31, 2024, the value of this impairment loss was ¥1,254 million.