

February 7, 2025

For Immediate Release

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(Code: 2002, TSE Prime Market)
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**Consolidated Financial Results for the Third Quarter of Fiscal 2025 [Japanese GAAP]
(Changes to disclosed information and the completion of a review by independent account auditors)**

The Company released its “Consolidated Financial Results for the Third Quarter of Fiscal 2025 [Japanese GAAP]” on January 28, 2025. This serves as notice of changes to the quarterly consolidated financial statements and the completion of a review of the financial statements by independent account auditors.

The changes to the quarterly consolidated financial statements released on January 28, 2025, are as follows.

1. Changes to the Consolidated Financial Results for the Third Quarter of Fiscal 2025 [Japanese GAAP]

The information on the acquisition and cancellation of treasury shares noted in the Significant Subsequent Events section has been changed. The changes are as follows.

<Before change>

[Significant Subsequent Events]

(Acquisition and cancellation of treasury shares)

At a Board of Directors meeting held on January 28, 2025, the Company passed a resolution on the acquisition of treasury shares in accordance with Article 459, Paragraph 1 of the Companies Act and Article 41 of the Articles of Incorporation. The Company also resolved to cancel treasury shares pursuant to Article 178 of the Companies Act.

For more information, please refer to the notice on the acquisition of treasury shares through the off-floor trading system, ToSTNeT-3 (Tokyo Stock Exchange Trading NeTwork System), and the cancellation of treasury shares announced today.

<After change>

[Significant Subsequent Events]

(Acquisition of treasury shares)

At a Board of Directors meeting held on January 28, 2025, the Company passed a resolution on the acquisition of treasury shares in accordance with Article 459, Paragraph 1 of the Companies Act and Article 41 of the Articles of Incorporation. Following the resolution, the Company acquired treasury shares. The details are as follows.

1. Reason for acquiring treasury shares

The Company acquired treasury shares to enhance shareholder returns, improve capital efficiency, and implement capital policies in line with the business environment.

2. Details of the acquisition

- | | |
|--------------------------------|---|
| (1) Class of shares acquired: | Common stock of the Company |
| (2) Number of shares acquired: | 7,700,000 shares |
| (3) Acquisition price: | 13,906,200,000 yen |
| (4) Acquisition date: | January 29, 2025 |
| (5) Acquisition method: | Purchase through the off-floor trading system ToSTNeT-3 of the Tokyo Stock Exchange |

(Cancellation of treasury shares)

At a Board of Directors meeting held on January 28, 2025, the Company resolved to cancel treasury shares pursuant to Article 178 of the Companies Act.

1. Reason for canceling treasury shares

The Company will cancel treasury shares to relieve concerns about any dilution of shares.

2. Details of the cancellation

- | | |
|--------------------------------------|--|
| (1) Class of shares to be canceled: | Common stock of the Company |
| (2) Number of shares to be canceled: | 13,700,000 shares
(The percentage of issued shares before the cancellation is 4.50%.) |
| (3) Planned cancellation date: | February 12, 2025 |
| (4) Cancellation method: | Reducing capital surplus and retained earnings |

2. Reasons for the changes

The Company released its “Consolidated Financial Results for the Third Quarter of Fiscal 2025 [Japanese GAAP]” on January 28, 2025. Subsequently, the Company acquired treasury shares, and the number of treasury shares to be canceled was determined.

Disclaimer: This document is a translation of the Japanese original. The Japanese original has been disclosed in Japan in accordance with Japanese accounting standards and the Financial Instruments and Exchange Act. This document does not contain or constitute any guarantee and the Company will not compensate any losses and/or damage stemming from actions taken based on this document. In the case that there is any discrepancy between the Japanese original and this document, the Japanese original is assumed to be correct.

Consolidated Financial Results for the Third Quarter of Fiscal 2025 [Japanese GAAP]

February 7, 2025

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
 Code: 2002
 URL: <https://www.nisshin.com>
 Representative: Kenji Takihara, Representative Director and President
 Contact: Reiko Adachi, Executive Officer and General Manager, Public Communications Department
 (General Administration Division)
 Tel.: +81-3-5282-6650

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 First Nine Months of Fiscal 2025 (April 1, 2024 to December 31, 2024)

(1) Consolidated Business Results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
First nine months of Fiscal 2025	647,441	(0.5)	39,470	(5.8)	41,940	(3.2)	30,538	3.5
First nine months of Fiscal 2024	650,681	8.4	41,894	64.5	43,321	60.2	29,517	—

(Note) Comprehensive income: First nine months of Fiscal 2025: ¥26,666 million (down 59.2%)
 First nine months of Fiscal 2024: ¥65,435 million (—%)

	Earnings per share	Fully diluted earnings per share
	Yen	Yen
First nine months of Fiscal 2025	102.69	—
First nine months of Fiscal 2024	99.26	—

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
December 31, 2024	829,634	528,173	61.5
March 31, 2024	826,702	516,381	60.5

(Reference) Equity capital: December 31, 2024: ¥510,365 million March 31, 2024: ¥500,302 million

2. Dividends

	Dividend per share				
	1Q End	2Q End	3Q End	Year-End	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal 2024	—	21.00	—	24.00	45.00
Fiscal 2025	—	25.00	—		
Fiscal 2025 (forecast)				30.00	55.00

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

3. Forecast of Consolidated Financial Results for the Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	870,000	1.4	51,000	6.7	53,000	6.0	39,000	22.9	131.16

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

* Notes

(1) Significant changes in the scope of consolidation during the first nine months of the fiscal year ending March 31, 2025: 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 [Notes on 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, 2024	304,357,891	As of March 31, 2024	304,357,891
2) Number of treasury shares	As of December 31, 2024	6,936,602	As of March 31, 2024	6,931,745
3) Average number of shares outstanding	First nine months of Fiscal 2025	297,388,568	First nine months of Fiscal 2024	297,378,760

* Review of the attached quarterly consolidated financial statements by certified public accountants or independent account auditors: Yes (voluntary)

* 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. Overview of Business Performance, etc. (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. Overview of Business Performance, etc.

(1) Overview of Business Performance for the Period under Review

Overview of the first nine months of the consolidated fiscal year under review

During the first nine months of the fiscal year ending March 31, 2025, the Japanese economy saw a rise in inbound tourism demand. However, consumers' belt-tightening behavior continued due to high prices for goods, as raw material and energy prices remained high primarily because of the weaker yen and higher logistics costs. Consequently, consumer spending did not pick up. Meanwhile, there were signs of change in the framework for international cooperation. The Nisshin Seifun Group is facing an uncertain business environment.

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," set to conclude in the fiscal year ending March 31, 2027, the Group gave highest priority to efforts to stimulate its ability to grow by restructuring the business portfolio, promote measures to spur a performance recovery in the Australia flour milling business and the yeast business in India, realize tangible results from our R&D strategy, and showcase benefits from automation and labor-saving measures.

As part of efforts to stimulate the Group's ability to grow by restructuring the business portfolio, we are continuing construction at flour milling subsidiary Nisshin Flour Milling Inc. of the Mizushima Plant ahead of an operational start sometime in May 2025. This move is accompanied by the scheduled closure of the subsidiary's Okayama and Sakaide plants. Meanwhile, at U.S.-based subsidiary Miller Milling Company, LLC, expansion work continues at the Saginaw Plant, with an operational start set for early 2025. In July 2024, Vietnam Nisshin Seifun Co., Ltd. and Vietnam Nisshin Technomic Co., Ltd., subsidiaries in the processed food business, started selling household-use products in Vietnam. The Group will continue to aggressively invest for future growth going forward.

With respect to R&D, we are moving ahead with addressing the commercialization of research results. In the flour milling business, we are continuing striving to expand recognition of and develop the market for high-fiber wheat flour (Amuleia). We are building a new development site based on an "Our 'kitchen' – where we co-create the future" concept, with construction scheduled to be completed in the fiscal year ending March 31, 2027. In these ways, we aim to further highlight the Group's development capabilities, while also creating Group synergies.

Nisshin Seifun Welna Inc., a subsidiary in the Processed Food Business, entered into an agreement with Shohei Otani of the Los Angeles Dodgers in November last year to feature him in a commercial.

Consolidated net sales in the first nine months of the fiscal year under review declined 0.5% year on year to ¥647,441 million, chiefly due to a revision to the prices of commercial wheat flour because of changes in the government's pricing for imported wheat in the domestic flour milling business and a decrease in shipments in the healthcare foods business. On the profit front, operating profit decreased 5.8% year on year to ¥39,470 million, and ordinary profit fell 3.2% to ¥41,940 million. This decline was primarily due to the rising cost of raw materials, transportation, and labor across all businesses and a decrease in shipments in the healthcare foods business, despite strong performance in the overseas flour milling business. Profit attributable to owners of parent came to ¥30,538 million, up 3.5% year on year, primarily from posting of a gain on sale of investment securities due to a decrease in cross-shareholdings.

(Year-on-year Comparison)

(Million yen)

	First nine months of Fiscal 2024	First nine months of Fiscal 2025	Difference	Change
Net sales	650,681	647,441	(3,239)	(0.5)%
Operating profit	41,894	39,470	(2,424)	(5.8)%
Ordinary profit	43,321	41,940	(1,380)	(3.2)%
Profit attributable to owners of parent	29,517	30,538	1,020	3.5%

[Business Overview by Segment]

1) Flour Milling Segment

(Million yen)

	First nine months of Fiscal 2024	First nine months of Fiscal 2025	Difference	Change
Net sales	346,849	339,756	(7,093)	(2.0)%
Operating profit	24,371	22,953	(1,417)	(5.8)%

In the flour milling business in Japan, shipments were higher year on year, mainly reflecting an increase in demand for restaurant dining due to increased foot traffic, including from inbound tourism, in addition to benefits from sales expansion measures.

In July 2024 and January 2025, we revised the prices of commercial wheat flour due to changes in the government's pricing for five classes of imported wheat. The government's price was lowered 0.6% on average in April 2024 and 1.8% in October. Additionally, transportation and power costs rose.

In the overseas flour milling business, sales decreased from the same period in the previous year, primarily due to a decline in wheat market prices, despite firm shipments.

As a result, net sales of the Flour Milling Segment decreased 2.0% year on year to ¥339,756 million. Operating profit declined 5.8% to ¥22,953 million, chiefly reflecting a rise in manufacturing costs in the domestic flour milling business, despite the firm performance of the overseas flour milling business.

2) Processed Food Segment

(Million yen)

	First nine months of Fiscal 2024	First nine months of Fiscal 2025	Difference	Change
Net sales	152,232	156,039	3,806	2.5%
Operating profit	7,662	6,331	(1,331)	(17.4)%

In the processed food business, while belt-tightening behavior among consumers in Japan continued, shipments, primarily of household-use wheat flour, prepared mixes, and pasta, were firm, reflecting active promotions. Overseas, commercial-use prepared mix shipments were solid, lifting sales higher year on year.

In the yeast and biotechnology business, sales were up year on year, reflecting increased shipments of yeast, etc. and higher sales volume in the yeast business in India.

In the healthcare foods business, sales were lower year on year due to lower shipments of raw materials for pharmaceuticals and consumer products.

As a result, net sales of the Processed Food Segment increased 2.5% year on year to ¥156,039 million. Operating profit declined 17.4% to ¥6,331 million, attributable mainly to rising costs, including for raw materials and transportation due to foreign currency translation effects in the processed food business, along with lower shipments in the healthcare foods business.

3) Prepared Dishes and Other Prepared Foods Segment

(Million yen)

	First nine months of Fiscal 2024	First nine months of Fiscal 2025	Difference	Change
Net sales	118,943	119,855	912	0.8%
Operating profit	5,681	5,597	(83)	(1.5)%

In the Prepared Dishes and Other Prepared Foods Segment, net sales increased 0.8% year on year to ¥119,855 million, reflecting firm sales. Operating profit decreased 1.5% to ¥5,597 million, largely due to rising costs for raw materials and labor, which more than offset sales growth and improved productivity.

4) Others Segment

(Million yen)

	First nine months of Fiscal 2024	First nine months of Fiscal 2025	Difference	Change
Net sales	32,655	31,789	(865)	(2.7)%
Operating profit	3,979	4,585	605	15.2%

In the engineering business, sales were lower year on year, reflecting a decline in large-scale plant projects.

In the mesh cloths business, sales rose year on year due to the favorable shipments of screen printing materials for solar panels.

As a result, net sales of the Others Segment fell 2.7% year on year to ¥31,789 million. Operating profit increased 15.2% to ¥4,585 million. The rise in profit was mainly attributable to growth in shipments in the mesh cloths business and an increased profit in the engineering business.

(2) Overview of Financial Position for the Period under Review

(Million yen)

	As of March 31, 2024	As of December 31, 2024	Difference
Current assets	365,072	368,750	3,677
Non-current assets	461,629	460,884	(745)
Total assets	826,702	829,634	2,932
Current liabilities	163,571	157,656	(5,915)
Non-current liabilities	146,749	143,804	(2,944)
Total liabilities	310,321	301,461	(8,860)
Total net assets	516,381	528,173	11,792
Total liabilities and net assets	826,702	829,634	2,932

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, 2025 was as follows.

Current assets increased ¥3,677 million from the previous fiscal year-end to ¥368,750 million, chiefly due to an increase in securities. Non-current assets declined ¥745 million to ¥460,884 million, primarily accompanying a decrease in the market valuation of investment securities. As a result, total assets increased ¥2,932 million from the previous fiscal year-end to ¥829,634 million.

Current liabilities decreased ¥5,915 million to ¥157,656 million, mainly accompanying a decrease in short-term borrowings. Non-current liabilities declined ¥2,944 million to ¥143,804 million, chiefly reflecting a decrease in deferred tax liabilities. As a result, total liabilities decreased ¥8,860 million from the previous fiscal year-end to ¥301,461 million. Net assets increased ¥11,792 million to ¥528,173 million, mainly reflecting an increase in retained earnings due to profit attributable to owners of parent, a decrease due to the payment of dividends, and a decrease in accumulated other comprehensive income.

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

The consolidated results forecast for the fiscal year ending March 31, 2025 remains unchanged from those published on October 30, 2024. The forecasts for net sales, operating profit, and ordinary profit are ¥870,000 million (up 1.4% year on year), ¥51,000 million (up 6.7%), and ¥53,000 million (up 6.0%), respectively. Profit attributable to owners of parent is forecast to be ¥39,000 million (up 22.9%).

The Company plans to distribute an annual dividend of ¥55 per share (up ¥10 from the previous fiscal year) as published on October 30, 2024, following its policy of raising the target for the consolidated dividend payout ratio to approximately 50% (after the exclusion of gains or losses from non-recurring extraordinary factors) by the final fiscal year of “Medium-Term Management Plan 2026.” This is projected to result in actual dividend growth for a twelfth consecutive term. The payout ratio on a consolidated basis for the fiscal year under review is 41.9%, or 47.2% with the exclusion of gains or losses from non-recurring extraordinary factors.

At a Board of Directors meeting on January 28, 2025, the Company resolved to repurchase treasury shares through ToSTNeT-3 (Tokyo Stock Exchange Trading NeTwork System-3), an off-auction trading system, and cancel them to enhance shareholder returns, improve capital efficiency, and implement capital policies aligned with the business environment.

2. Quarterly Consolidated Financial Statements and Related Notes

(1) Quarterly Consolidated Balance Sheets

(Million yen)

	Fiscal 2024 (As of March 31, 2024)	Fiscal 2025 First Nine Months (As of December 31, 2024)
Assets		
Current assets		
Cash and deposits	109,470	108,693
Notes and accounts receivable - trade, and contract assets	114,536	116,589
Securities	—	5,595
Inventories	124,878	126,080
Other	16,729	12,497
Allowance for doubtful accounts	(541)	(705)
Total current assets	365,072	368,750
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	72,092	72,773
Machinery, equipment and vehicles, net	66,504	67,351
Land	53,393	53,666
Right-of-use assets, net	18,471	19,746
Other, net	25,354	37,394
Total property, plant and equipment	235,815	250,933
Intangible assets		
Goodwill	6,212	5,313
Other	15,350	16,120
Total intangible assets	21,563	21,434
Investments and other assets		
Investment securities	185,445	169,658
Other	19,014	19,047
Allowance for doubtful accounts	(208)	(188)
Total investments and other assets	204,250	188,517
Total non-current assets	461,629	460,884
Total assets	826,702	829,634

(Million yen)

	Fiscal 2024 (As of March 31, 2024)	Fiscal 2025 First Nine Months (As of December 31, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	76,198	74,020
Short-term borrowings	15,101	8,364
Income taxes payable	7,890	6,141
Accrued expenses	27,036	23,448
Other	37,344	45,681
Total current liabilities	163,571	157,656
Non-current liabilities		
Bonds payable	20,000	20,000
Long-term borrowings	12,014	11,496
Lease liabilities	39,929	41,606
Deferred tax liabilities	42,671	38,117
Provision for repairs	1,278	1,420
Retirement benefit liability	23,532	23,785
Other	7,322	7,378
Total non-current liabilities	146,749	143,804
Total liabilities	310,321	301,461
Net assets		
Shareholders' equity		
Share capital	17,117	17,117
Capital surplus	12,752	12,752
Retained earnings	344,428	360,399
Treasury shares	(10,914)	(10,927)
Total shareholders' equity	363,383	379,342
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	93,519	81,979
Deferred gains or losses on hedges	164	247
Foreign currency translation adjustment	43,632	49,003
Remeasurements of defined benefit plans	(398)	(207)
Total accumulated other comprehensive income	136,918	131,022
Non-controlling interests	16,078	17,808
Total net assets	516,381	528,173
Total liabilities and net assets	826,702	829,634

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

[Quarterly Consolidated Statements of Income]

(Million yen)

	First nine months of Fiscal 2024 (April 1, 2023 to December 31, 2023)	First nine months of Fiscal 2025 (April 1, 2024 to December 31, 2024)
Net sales	650,681	647,441
Cost of sales	508,529	500,562
Gross profit	142,152	146,879
Selling, general and administrative expenses	100,257	107,409
Operating profit	41,894	39,470
Non-operating income		
Interest income	357	684
Dividend income	2,283	2,643
Share of profit of entities accounted for using equity method	1,155	1,339
Other	1,150	1,293
Total non-operating income	4,947	5,961
Non-operating expenses		
Interest expenses	2,788	2,846
Other	732	644
Total non-operating expenses	3,520	3,491
Ordinary profit	43,321	41,940
Extraordinary income		
Gain on sale of non-current assets	281	—
Gain on sale of investment securities	436	4,699
Total extraordinary income	718	4,699
Extraordinary losses		
Loss on retirement of non-current assets	282	381
Impairment losses	Note 1 1,254	Note 1 70
Total extraordinary losses	1,537	452
Profit before income taxes	42,502	46,187
Income taxes	12,089	14,644
Profit	30,412	31,543
Profit attributable to non-controlling interests	895	1,005
Profit attributable to owners of parent	29,517	30,538

[Quarterly Consolidated Statements of Comprehensive Income]

(Million yen)

	First nine months of Fiscal 2024 (April 1, 2023 to December 31, 2023)	First nine months of Fiscal 2025 (April 1, 2024 to December 31, 2024)
Profit	30,412	31,543
Other comprehensive income		
Valuation difference on available-for-sale securities	26,176	(11,572)
Deferred gains or losses on hedges	61	41
Foreign currency translation adjustment	8,335	6,295
Remeasurements of defined benefit plans, net of tax	128	63
Share of other comprehensive income of entities accounted for using equity method	321	294
Total other comprehensive income	35,023	(4,876)
Comprehensive income	65,435	26,666
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	64,166	24,641
Comprehensive income attributable to non-controlling interests	1,269	2,024

(3) Notes on Quarterly Consolidated Financial Statements

The quarterly consolidated financial statements have been prepared, conforming to the Tokyo Securities Exchange's General Principles for Preparing Quarterly Consolidated Financial Statements, Article 4 paragraph (i) and accounting standards for quarterly financial statements accepted generally as being fair and appropriate in Japan (however, when matters stipulated under Article 4 paragraph (ii) apply, there is no need for adoption

[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.

[Notes on a Change in Scope of Consolidation or Scope of Application of the Equity Method]

(Change in matters related to fiscal year of consolidated subsidiaries)

Previously, the Company used the financial statements of consolidated subsidiary Kumamoto Flour Milling Co., Ltd. and its four subsidiaries available as of December 31, the account settlement date for these companies, with necessary adjustments made for important transactions occurring between that date and the consolidated account settlement date (March 31). However, from the first quarter of the fiscal year under review, the account settlement date for Kumamoto Flour Milling Co., Ltd. and its four subsidiaries has been changed to March 31.

In line with this change in account settlement period, we have consolidated the nine-month period from April 1, 2024 to December 31, 2024 under the cumulative consolidated first nine-month period.

Profits and losses from these consolidated subsidiaries recorded from January 1, 2024 to March 31, 2024 have been adjusted as changes in retained earnings.

[Notes on 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 Implementation Guidelines on Tax Effect Accounting for Interim Financial Statements, pursuant to the provision of Paragraph 19 of the Guidance on Accounting Standard for Quarterly Financial Reporting.

The amount of tax adjustments is included in "Income taxes."

[Notes on Quarterly Consolidated Statements of Income]

1. Impairment losses

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 Segment, 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, etc. was evaluated as 0 since it was decided to remove them.

First nine months of Fiscal 2025 (April 1, 2024 to December 31, 2024)

The description has been omitted because of its lack of materiality.

[Notes on Quarterly Consolidated Statements of Cash Flows]

The quarterly consolidated statements of cash flows has not been prepared for the nine months ended December 31, 2024. Depreciation (including amortization related to intangible assets excluding goodwill) and amortization of goodwill for the nine-month period under review are as follows.

	First nine months of Fiscal 2024 (April 1, 2023 to December 31, 2023)	First nine months of Fiscal 2025 (April 1, 2024 to December 31, 2024)
Depreciation	¥16,963 million	¥17,565 million
Amortization of goodwill	¥977 million	¥898 million

[Notes on Segment Information, etc.]

[Segment Information]

I. 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

(Million 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, the Company decided in August 2023 to close and dismantle the Saitama Plant of Oriental Yeast Co., Ltd. The Company reduced the book value of the assets to the recoverable amount and recorded an impairment loss. For the first nine months of the fiscal year ended March 31, 2024, the value of this impairment loss was ¥1,254 million.

II. First nine months of Fiscal 2025 (April 1, 2024 to December 31, 2024)

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

(Million 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	339,756	156,039	119,855	615,652	31,789	647,441	—	647,441
Intersegment sales and transfers	14,878	1,379	3,314	19,572	3,499	23,071	(23,071)	—
Total	354,634	157,419	123,170	635,224	35,288	670,513	(23,071)	647,441
Segment profit	22,953	6,331	5,597	34,883	4,585	39,468	1	39,470

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]

There were no significant impairment losses, and the information is omitted.

[Significant Subsequent Events]

(Acquisition of treasury shares)

At a Board of Directors meeting held on January 28, 2025, the Company passed a resolution on the acquisition of treasury shares in accordance with Article 459, Paragraph 1 of the Companies Act and Article 41 of the Articles of Incorporation. Following the resolution, the Company acquired treasury shares. The details are as follows.

1. Reason for acquiring treasury shares

The Company acquired treasury shares to enhance shareholder returns, improve capital efficiency, and implement capital policies in line with the business environment.

2. Details of the acquisition

(1) Class of shares acquired:	Common stock of the Company
(2) Number of shares acquired:	7,700,000 shares
(3) Acquisition price:	13,906,200,000 yen
(4) Acquisition date:	January 29, 2025
(5) Acquisition method:	Purchase through the off-floor trading system ToSTNeT-3 of the Tokyo Stock Exchange

(Cancellation of treasury shares)

At a Board of Directors meeting held on January 28, 2025, the Company resolved to cancel treasury shares pursuant to Article 178 of the Companies Act.

1. Reason for canceling treasury shares

The Company will cancel treasury shares to relieve concerns about any dilution of shares.

2. Details of the cancellation

(1) Class of shares to be canceled:	Common stock of the Company
(2) Number of shares to be canceled:	13,700,000 shares (The percentage of issued shares before the cancellation is 4.50%.)
(3) Planned cancellation date:	February 12, 2025
(4) Cancellation method:	Reducing capital surplus and retained earnings