

Summary of Consolidated Financial Results

For the Fiscal Year Ended March 31, 2024 (Japanese Accounting Standards)

April 30, 2024

Company name: Fuji Nihon Seito Corporation Listing: Standard Market of Tokyo Stock Exchange
 Stock code: 2114 <https://www.fnsugar.co.jp>
 Company Representative: Hidetoshi Soga, President and Chief Executive Officer
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Planned date for annual general meeting of shareholders: June 25, 2024
 Planned date to start dividend payment: June 10, 2024
 Planned date for submission of financial report: June 25, 2024
 Preparation of supplementary material for financial statements: None
 Briefing session for financial statements: None

(Rounded down to millions of Japanese yen)

1. Consolidated Financial Results for the Fiscal Year 2023 (from April 1, 2023 to March 31, 2024)

(1) Consolidated Results of Operations (Percentages are shown as year-on-year changes)

Year ended	Net sales		Operating Profit		Ordinary Profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	25,889	14.2	2,173	19.8	3,202	50.8	2,370	41.7
March 31, 2023	22,677	12.8	1,814	13.1	2,124	10.7	1,672	3.6

Note: Comprehensive income

The year ended March 31, 2024: 3,196 million yen (57.8%)

The year ended March 31, 2023: 2,025 million yen (16.3%)

Year ended	Net Profit per Share	Diluted Net Profit per Share	Return on Equity	Ordinary Profit Ratio to Total Assets	Operating Profit Ratio to Net Sales
	Yen	Yen	%	%	%
March 31, 2024	88.27	—	10.5	10.6	8.4
March 31, 2023	62.30	—	8.1	8.0	8.0

(Reference) Equity in net income of affiliates: For the year ended March 31, 2024: 82 million yen
 For the year ended March 31, 2023: 101 million yen

(2) Consolidated Financial Position

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
March 31, 2024	32,419	23,851	73.5	887.29
March 31, 2023	28,256	21,514	75.9	798.84

(Reference) Shareholders' Equity: As of March 31, 2024: 23,825 million yen
 As of March 31, 2023: 21,450 million yen

(3) Consolidated Statements of Cash Flows

Year ended	Operating Activities	Investing Activities	Financing Activities	Cash and Cash Equivalents as of the year-end
	Million yen	Million yen	Million yen	Million yen
March 31, 2024	942	(517)	(69)	5,274
March 31, 2023	579	(169)	633	4,875

2. Cash Dividends

	Cash Dividend per Share					Total Cash Dividends (annual)	Payout Ratio (consolidated)	Ratio of Dividends to Net Assets (consolidated)
	1Q	2Q	3Q	4Q	Annual			
Year ended	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
March 31, 2023	—	0.00	—	17.00	17.00	456	27.3	2.2
March 31, 2024	—	15.00	—	17.00	32.00	859	36.3	3.8
Year ending March 31, 2025 (forecast)	—	15.00	—	17.00	32.00		50.5	

3. Consolidated Business Forecasts for the Fiscal Year 2024 (from April 1, 2024 to March 31, 2025)

(Percentages are shown as year-on-year changes)

	Net Sales		Operating Profit		Ordinary Profit		Profit attributable to owner of parent		Net Profit per Share
	Million Yen	%	Million Yen	%	Million Yen	%	Million Yen	%	Yen
Year ending March 31, 2025	27,700	7.0	2,000	(8.0)	2,300	(28.2)	1,700	(28.3)	63.31

※ Notes

(1) Significant changes in subsidiaries during the period

(Changes in specified subsidiaries resulting in changes of scope of consolidation): None

(2) Changes in accounting policy and accounting estimates and restatement

(i) Changes in accounting policy due to any revision of accounting standards: None

(ii) Changes in accounting policy other than (i) above: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(3) Number of outstanding shares (common shares)

Unit: 1 share

(i) Number of outstanding shares at the end of period (including Treasury Shares)	As of March 31, 2024	29,748,200	As of March 31, 2023	29,748,200
(ii) Number of treasury shares at the end of period	As of March 31, 2024	2,896,393	As of March 31, 2023	2,896,344
(iii) Average number of shares during the period	As of March 31, 2024	26,851,823	As of March 31, 2023	26,851,856

(Reference) Overview of Financial Results on a Non-consolidated Basis

1. Financial Results on a Non-consolidated Basis for the Fiscal Year 2023 (from April 1, 2023 to March 31, 2024)

(1) Non-consolidated Results of Operations

(Percentages are shown as year-on-year changes)

Year ended	Net sales		Operating Profit		Ordinary Profit		Profit for the year	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2024	15,947	11.2	1,463	73.9	2,579	60.8	1,837	44.5
March 31, 2023	14,340	8.1	841	(12.6)	1,604	(1.9)	1,271	(13.7)

Year ended	Net Profit per Share		Diluted Net Profit per Share	
	Yen		Yen	
March 31, 2024	68.44		—	
March 31, 2023	47.35		—	

(2) Financial Position on a Non-consolidated Basis

As of	Total Assets	Net Assets	Equity Ratio	Net Assets per Share
	Million yen	Million yen	%	Yen
March 31, 2024	25,034	21,081	84.2	785.12
March 31, 2023	22,473	19,306	85.9	718.99

(Reference) Shareholders' Equity: As of March 31, 2024: 21,081 million yen

As of March 31, 2023: 19,306 million yen

※ Summary of Consolidated Financial Results is exempt from the audit review before this disclosure.

※ Explanation on appropriate use of business forecasts, and other special notes:

(Caution regarding forward-looking statements)

Business forecasts and other forward-looking statements contained in this report and supplementary materials are based on information currently available to the Company and on certain assumptions deemed as rational and are not intended to guarantee the achievements by the Company. Actual results may differ significantly from such forecasts due to various factors. For assumptions used for business forecasts and notes in using such forecasts, please refer to “(4) Qualitative information regarding consolidated business forecasts” in “1. The Results for the Fiscal Year 2023” on page 4 of the Appendix.

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1. The Results for the Fiscal Year 2023

(1) Qualitative information regarding consolidated operating results for the fiscal year 2023

In the fiscal year 2023, not only the improvement in employment and income but also the expansion of inbound demand has promoted a recovery trend in our country's economy. However, the outlook for the economy is unclear because of the rising cost of raw materials, inflation in the domestic market and fluctuation in the monetary market.

Under these economic environments, our Group has established a new corporate purpose "Make the world powerful with food science!". We are striving to achieve making the world powerful by generating new value from sustainable biological resources through our food science technology.

Our consolidated net sales increased by 14.2% year on year to 25,889 million yen. Operating profit increased by 19.8% year on year to 2,173 million yen. Ordinary profit increased by 50.8% year on year to 3,202 million yen. Net profit attributable to owners of parent increased by 41.7% year on year to 2,370 million yen. Additionally, in the fiscal year 2023, as a result of receiving a cash dividend from a stock investment, the ordinary profit significantly increased as disclosed on May 29th, 2023.

Operating results of each segment are as follows:

① Sugar Business

The international raw sugar market began the period at 22.35 cents per pound on the New York Futures Market and had continued to rise to over 28 cents due to the negative forecast for sugar production caused by the drought in the Northern Hemisphere regions and speculative buying. After that, the market experienced sharp decline to 20.03 cent after Brazil had announced significantly increase in sugar production. Although speculators bought back, causing prices to rise to over 24 cents, speculations about reductions in sugar production in Thailand and India were alleviated, leading to a decline in the market, and the period ended at 22.52 cents.

On the other hand, the domestic product market started at 227 yen to 229 yen per kilogram (quoted in the Nikkei newspaper) for large-sized bags of refined sugar. Prices rose by 12 yen in July 2023 and another 10 yen in January 2024, reaching the range of 249 yen to 251 yen at the end of the period.

The sales volume remains at the same level as last year, because the increase in demand from inbound tourism and the decrease in consumption due to inflation have offset each other. In terms of profit, despite the rise in prices of raw materials, energy, and logistics, the successful price adjustments resulted in increased profits.

As a result of the above, the Sugar Business reported net sales of 13,254 million yen (up 13.5% against the same period of last year) and operating profit of 1,769 million yen (up 72.7% against the same period of last year).

② Functional Materials Business

Regarding the sales of the functional dietary fiber "Inulin", in the domestic market, as a result of increasing in adoption for off-sugar and Functional Labeled Foods, the sales volume of "Inulin" increased comparing to the same period last year. In overseas sales, while the sales quantity decreased in Southeast Asian countries, the increase in Thailand outweighed the reduction, resulting in increased revenue. However, the profit decreased comparing to last year due to rise in raw materials. Floral preservatives "Keep Flower" has experienced a decrease in sales quantity for customers, while sales for businesses remain at the same level as last year. This is due to a downturn in the cut flowers market, driven by inflation, making it unaffordable for people to buy flowers. Regarding UNITEC FOODS Co. Ltd., a subsidiary under consolidation, the sales volume of its main product, pectin, gelatin, and collagen saw an increase, leading to higher revenue and profits.

As a result of the above, the Functional Materials Business reported net sales of 11,985 million yen (up of 19.6% against the same period of last year) and operating profit of 901 million yen (down of 17.1% against the same period of last year).

③ Real Estate Business

In the Real Estate Business, we have constructed and commenced the operation of the new business hotel "Toyoko Inn Tokyo Kayabacho Eki" at the former headquarters site as of September 1st. As a result, net sales of 621 million yen (up of 8.3% against the same period of last year) and operating profit of 553 million yen (up of 3.7% against the same period of last year). The business results were increased revenue and profit comparing to the same period of last year, and it has continued to contribute to stable earnings.

④ Other Food Business

In the Other Food Business such as food-related business in Thailand, net sales of 28 million yen (down of 92.9% against the same period of last year) and operating profit of 2 million yen (down of 84.0% against the same period of last year).

(2) Qualitative information regarding consolidated financial position

Total assets as of March 31, 2024 increased by 14.7% compared to the end of the previous fiscal year to 32,419 million yen. The changes of financial position of the fiscal year 2023 are as follows:

① Assets

Current assets increased by 18.6% compared to the end of previous fiscal year to 16,921 million yen. This was mainly due to an increase of Notes and accounts receivable – trade, and contract assets, Inventories and so on.

Non-current assets increased by 10.7% compared to the end of the previous fiscal year to 15,498 million yen. This was mainly due to an increase of investment securities and so on.

② Liabilities

Current liabilities increased by 25.5% compared to the end of the previous fiscal year to 6,498 million yen. This was mainly due to an increase of short-term loans payable and so on.

Non-current liabilities increased by 32.2% compared to the end of the previous fiscal year to 2,069 million yen. This was mainly due to an increase of deferred tax liabilities and so on.

③ Net assets

Net assets increased by 10.9% compared to the end of the previous fiscal year to 23,851 million yen. This was mainly due to an increase of retained earnings and so on.

(3) Qualitative information regarding consolidated cash flows

Cash and cash equivalents (hereinafter called "Funds") as of March 31, 2024 increased by 399 million yen from the end of the previous fiscal year to 5,274 million yen.

Changes in cash flow for the fiscal year 2023 and the reasons are as follows.

① Cash flow from operating activities

The funds acquired from operating activities in the fiscal year 2023 amounted to 942 million yen (up 62.6% against the same period of last year). This mainly reflected profit before income taxes and so on.

② Cash flow from investing activities

The funds used in investing activities in the fiscal year 2023 amounted to 517 million yen (up 205.0% against the same period of last year). This mainly reflected purchase of property, plant, and equipment, and so on.

③ Cash flow from financing activities

The funds used in financing activities in fiscal year 2023 amounted to 69 million yen (gained in 633 million yen in the same period of last year.). This mainly reflected net increase in dividends paid, and so on.

(Reference) Changes in cash-flow-related indices

	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Equity ratio (%)	78.9	78.2	79.8	75.9	73.5
Market-Price-based equity ratio (%)	62.6	64.3	54.7	48.9	82.6
Cash flow / interest bearing liabilities ratio (years)	2.2	0.9	2.8	3.9	3.3
Interest coverage ratio (times)	36.1	109.8	41.6	20.0	21.9

(Notes) Equity ratio: Shareholder's equity / Total assets

Market-price-based equity ratio: Value of shares / Total assets

Cash flow / interest bearing liabilities ratio: Interest-bearing debt / Cash flow from operating activities

Interest coverage ratio: Cash flow from operating activities / Interest payment

- ※ 1. Data on a consolidated basis are used for computations.
2. Market capitalization is calculated by multiplying the closing share price at the end of the fiscal year with the number of outstanding shares (excluding treasury stock) as of that date.
3. For the cash flow from operating activities, the “cash flow from operating activities” shown in the consolidated statements of cash flows is used. Also, interest payment means the amount of interest paid on the consolidated cash flow statements.

(4) Qualitative information regarding consolidated business forecasts

The business environment is becoming increasingly competitive due to a shrinking market scale caused by an aging society, rising utility costs, increases in raw material prices due to the weak yen, and higher labor costs driven by wage increases following inflation.

In order to deal with such situations, our Group has released five-year medium-term management plan. For details, please refer to “Announcement of Medium-term management plan [Change 2028] formulation (Japanese Only)” disclosed on April 30th.

In the Sugar Business, we have observed the recovery trend of sugar consumption due to the increased inbound demand and recovery of domestic tourism and events. On the other hand, the downward trend continues because of aging society and taken place of sugar by sweetened product, isomerized sugar, and other sweeteners. Our group continues to enhance customer satisfaction by strengthening the sales structure, enforcing stricter quality control for stable supply, and acquiring inexpensive and reliable raw materials with the intention of reducing costs.

In the Functional Material Business, regarding the domestic market of the functional dietary fiber “Inulin”, we are intending to increase the sale quantity by obtaining new buyers and expanding business with existing customers by new functional promotion such as effect to skin. In relation to overseas sales, we aim at not only recovery of the sales demand in Southeast Asian countries but also development of sales channels in America and India. With regard to UNITEC FOODS Co. Ltd., a consolidated subsidiary, we aim to expand the existing thickening polysaccharides business, such as pectin, both domestically and overseas by leveraging accumulated expertise over the years.

In the Real Estate Business, we are going to focus on ensuring stable profit by continuous maintenance and operation for the Company properties.

As a result, the consolidated business forecasts for the fiscal year 2024, we anticipate the following: consolidated net sales of 27,700 million yen (up 7.0% year on year), operating profit of 2,000 million yen (down of 8.0% year on year), ordinary profit of 2,300 million yen (down 28.2% year on year), and profit attributable to owners of parent of 1,700 million yen (down 28.3% year on year).

2. Basic Policy regarding Selection of Accounting Standards

The Company Group chose to adopt the Japanese Accounting Standards for the consolidated financial statements taking into consideration that of ensuring comparability with the prior fiscal years and among corporations successively. Depending on circumstance changes, the Group would continue to response to revision of the Japanese Accounting Standards and study arbitrary application of the IFRS both in Japan and overseas.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated balance sheets

(Thousand yen)

	FY 2022 (As of March 31, 2023)	FY 2023 (As of March 31, 2024)
Assets		
Current assets		
Cash, cash equivalent and deposits	4,875,607	5,274,800
Notes and accounts receivable – trade, and contract assets	3,269,993	4,145,574
Merchandise and finished goods	2,884,272	3,835,520
Work in process	180,038	152,729
Raw materials and supplies	1,572,804	1,475,543
Investments in leases	-	954,138
Other current assets	1,481,984	1,085,800
Allowance for doubtful accounts	(2,521)	(3,103)
Total current assets	14,262,179	16,921,003
Non-current assets		
Property, plant, and equipment		
Buildings and structures (net)	343,261	356,558
Machinery, equipment, and vehicles(net)	238,019	370,402
Land	2,527,435	2,527,435
Construction in progress	82,841	4,083
Other non-current assets (net)	141,455	167,007
Total property, plant, and equipment	3,333,013	3,425,487
Intangible assets		
Other intangible assets	64,079	55,593
Total intangible assets	64,079	55,593
Investments and other assets		
Investment securities	8,375,478	9,654,764
Long-term loans receivable	-	2,163
Long-term loans receivable from subsidiaries and associates	1,842,400	1,902,500
Retirement benefit asset	56,821	126,532
Others	335,552	344,185
Allowance for doubtful accounts	(13,037)	(13,112)
Total investments and other assets	10,597,215	12,017,033
Total non-current assets	13,994,308	15,498,114
Total assets	28,256,487	32,419,118

(Thousand yen)

	FY 2022 (As of March 31, 2023)	FY 2023 (As of March 31, 2024)
Liabilities		
Current liabilities		
Accounts payable - trade	1,742,322	2,053,131
Short-term loans payable	2,230,300	3,096,800
Income taxes payable	405,564	349,434
Accrued consumption taxes	3,316	37,678
Provision for bonuses	153,215	173,538
Other current liabilities	642,124	787,936
Total current liabilities	5,176,843	6,498,520
Non-current liabilities		
Deferred tax liabilities	1,007,033	1,412,885
Asset retirement obligations	94,347	92,047
Liabilities from application of equity method	54,896	-
Other non-current liabilities	409,158	564,269
Total non-current liabilities	1,565,435	2,069,203
Total liabilities	6,742,279	8,567,723
Net assets		
Shareholders' equity		
Share capital	1,524,460	1,524,460
Capital surplus	2,102,408	2,102,408
Retained earnings	16,097,588	17,608,463
Treasury shares	(717,366)	(717,401)
Total shareholders' equity	19,007,090	20,517,930
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,483,766	3,280,889
Foreign currency translation adjustment	3,373	5,591
Remeasurements of defined benefit plans	(43,803)	20,907
Total accumulated other comprehensive income	2,443,337	3,307,388
Non-controlling interests	63,780	26,076
Total net assets	21,514,208	23,851,394
Total liabilities and net assets	28,256,487	32,419,118

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

Consolidated statements of income

(Thousand yen)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Net sales	22,677,852	25,889,553
Cost of sales	17,401,416	19,613,514
Gross profit	5,276,436	6,276,038
Selling, general and administrative expenses	3,462,356	4,102,652
Operating profit	1,814,079	2,173,386
Non-operating income		
Interest income	29,168	33,768
Dividend income	129,738	911,725
Foreign exchange gains	48,363	22,271
Share of profit of entities accounted for using equity method	101,361	82,783
Other non-operating income	25,791	20,414
Total non-operating income	334,423	1,070,963
Non-operating expenses		
Interest expenses	22,907	41,331
Other non-operating expenses	1,544	234
Total non-operating expenses	24,452	41,565
Ordinary profit	2,124,050	3,202,783
Extraordinary income		
Gain on sales of non-current assets	298	649
Gain on sales of shares of subsidiaries	4,830	-
Total extraordinary income	5,129	649
Extraordinary losses		
Loss on retirement of non-current assets	3,550	18,973
Impairment losses	12,060	-
Dismantlement expenses	-	117,645
Total extraordinary losses	15,610	136,618
Profit before income taxes	2,113,569	3,066,815
Income taxes-current	473,781	715,147
Income taxes-deferred	(8,953)	19,237
Total income taxes	464,827	734,385
Profit for the period	1,648,741	2,332,429
Loss for the period attributable to non-controlling interests	(24,206)	(37,704)
Profit for the period attributable to owners of parent	1,672,947	2,370,133

Consolidated statements of comprehensive income

(Thousand yen)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Profit for the period	1,648,741	2,332,429
Other comprehensive income		
Valuation difference on available-for-sale securities	402,377	797,122
Foreign currency translation adjustment	(9,881)	4,808
Remeasurements of defined benefit plans	(14,225)	64,711
Share of other comprehensive income of entities accounted for using equity method	(1,513)	(2,590)
Total other comprehensive income for the year	376,756	864,051
Comprehensive income for the period	2,025,497	3,196,480
Comprehensive income for the period attributable to:		
Owners of parent	2,051,203	3,234,185
Non-controlling interests	(25,706)	(37,704)

(3) Consolidated statements of changes in equity

Fiscal Year 2022 (from April 1, 2022 to March 31, 2023)

(Thousand Yen)

	Shareholders' equity				
	Share Capital	Capital Surplus	Retained earnings	Treasury shares	Total share holders' equity
Balance at the beginning of period	1,524,460	2,097,151	14,773,714	(717,366)	17,677,959
Changes					
Issuance of new shares		5,256			5,256
Dividends of surplus			(349,074)		(349,074)
Profit (loss) attributable to owners of parent			1,672,947		1,672,947
Purchase of treasury shares					—
Net changes in items other than shareholders' equity					
Total changes of items during period	—	5,256	1,323,873	—	1,329,130
Balance at the end of the period	1,524,460	2,102,408	16,097,588	(717,366)	19,007,090

	Accumulative other comprehensive income				Non-controlling interests	Net assets
	Valuation difference on available-for-sales securities	Foreign currency translation adjustment	Re-measurements of defined benefits plans	Total accumulative other comprehensive income		
Balance at the beginning of period	2,081,389	25,898	(29,577)	2,077,710	(42,718)	19,712,952
Changes						
Issuance of new shares						5,256
Dividends of surplus						(349,074)
Profit (loss) attributable to owners of parent						1,672,947
Purchase of treasury shares						—
Net changes in items other than shareholders' equity	402,377	(22,524)	(14,225)	365,626	106,498	472,125
Total changes of items during period	402,377	(22,524)	(14,225)	365,626	106,498	1,801,256
Balance at the end of the period	2,483,766	3,373	(43,803)	2,443,337	63,780	21,514,208

Fiscal Year 2023 (from April 1, 2023 to March 31, 2024)

(Thousand Yen)

	Shareholders' equity				
	Share Capital	Capital Surplus	Retained earnings	Treasury shares	Total share holders' equity
Balance at the beginning of period	1,524,460	2,102,408	16,097,588	(717,366)	19,007,090
Changes					
Issuance of new shares					—
Dividends of surplus			(859,258)		(859,258)
Profit (loss) attributable to owners of parent			2,370,133		2,370,133
Purchase of treasury shares				(35)	(35)
Net changes in items other than shareholders' equity					
Total changes of items during period	—	—	1,510,875	(35)	1,510,839
Balance at the end of the period	1,524,460	2,102,408	17,608,463	(717,401)	20,517,930

	Accumulative other comprehensive income				Non-controlling interests	Net assets
	Valuation difference on available-for-sales securities	Foreign currency translation adjustment	Re-measurements of defined benefits plans	Total accumulative other comprehensive income		
Balance at the beginning of period	2,483,766	3,373	(43,803)	2,443,337	63,780	21,514,208
Changes						
Issuance of new shares						—
Dividends of surplus						(859,258)
Profit (loss) attributable to owners of parent						2,370,133
Purchase of treasury shares						(35)
Net changes in items other than shareholders' equity	797,122	2,217	64,711	864,051	(37,704)	826,346
Total changes of items during period	797,122	2,217	64,711	864,051	(37,704)	2,337,186
Balance at the end of the period	3,280,889	5,591	20,907	3,307,388	26,076	23,851,394

(4) Consolidated statements of cash flows

(Thousand yen)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Cash Flows from operating activities		
Profit before income taxes	2,113,569	3,066,815
Depreciation	135,717	188,313
Amortization of goodwill	-	12,005
Impairment losses	12,060	-
Dismantlement expenses	-	117,645
Loss (gain) on sale of shares of subsidiaries	(4,830)	-
Increase (decrease) in provision for bonuses	30,830	20,323
Increase (decrease) in allowance for doubtful accounts	220	657
Decrease (increase) in retirement benefit asset	(22,655)	22,873
Interest and dividend income	(158,906)	(945,493)
Interest expenses	22,907	41,331
Foreign exchange losses (gains)	(43,222)	(17,135)
Share of loss (profit) of entities accounted for using equity method	(101,361)	(82,783)
Loss on retirement of non-current assets	3,550	18,973
Loss (gain) on sale of non-current assets	(298)	(649)
Decrease (increase) in notes and accounts receivable - trade	(507,302)	(860,755)
Decrease (increase) in inventories	(1,137,136)	(802,153)
Decrease (increase) in accounts receivable - other	15,701	(4,589)
Net decrease (increase) investments in leases	-	(954,138)
Decrease (increase) in other current assets	(362,410)	418,837
Increase in trade payables	416,288	304,480
Increase (decrease) in accrued consumption taxes	(4,278)	34,361
Increase (decrease) in other current liabilities	63,579	69,340
Increase (decrease) in other non-current liabilities	2,787	156,193
Others (net amount)	(23,275)	(146)
Subtotal	451,532	804,305
Interest and dividend income received	167,170	958,822
Interest expenses paid	(28,992)	(43,076)
Income taxes paid	(146,150)	(777,744)
Income taxes refund	136,004	221
Net cash provided by (used in) operating activities	579,563	942,527

(Thousand yen)

	FY 2022 (From April 1, 2022 to March, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
Cash Flows from investing activities		
Proceeds from sale and redemption of investment securities	-	12,409
Purchase of investment securities	(1,656)	(131,121)
Purchase of property, plant, and equipment	(259,894)	(262,004)
Proceeds from sale of property, plant and equipment	299	703
Purchase of intangible assets	(14,429)	(27,921)
Payments for asset retirement of property	-	(30,869)
Payments for asset retirement obligations	-	(3,300)
Long-term loan advances	(910,000)	(990,000)
Proceeds from collection of long-term loans receivable	1,055,500	914,900
Payments for sale of shares of subsidiaries resulting in change in scope of consolidation	(39,410)	-
Net cash provided by (used in) investing activities	(169,591)	(517,203)
Cash Flows from financing activities		
Net increase (decrease) in short-term borrowings	985,900	790,000
Proceeds from long-term borrowings	72,010	-
Repayments of long-term borrowings	(150,000)	-
Purchase of treasury shares	-	(35)
Proceeds from sale of shares of subsidiaries not resulting in change in scope of consolidation	90,000	-
Repayments of lease obligations	(15,192)	(650)
Dividends paid	(349,074)	(859,258)
Net cash provided by (used in) financing activities	633,643	(69,945)
Effect of exchange rate change on cash and cash equivalents	30,477	43,814
Net increase (decrease) in cash and cash equivalents	1,074,093	399,193
Cash and cash equivalents at the beginning of period	3,801,513	4,875,607
Cash and cash equivalents at the end of period	4,875,607	5,274,800

(5) Notes on consolidated financial statements

(Notes on assumptions of going concern)

None

(Notes on changes in scope of consolidation or equity method)

(Important changes in the scope of equity method application)

From the 1st quarter of fiscal year 2023, we have included the newly established Shanghai WeNeed Foods Co., Ltd., which was founded on May 23, 2023, within the scope of equity method application.

(Segment information, etc.)

[Segment information]

1. Outline on reporting segments

The Company's reporting segments are composed of units for which separate financial information is available. They are periodically reviewed by the Board of Directors for the purpose of deciding on allocation of management resource and evaluating business performance.

The Company have established product and service specific business headquarters at each location, where we development comprehensive strategies and conduct business activities.

The major products and services are classified as follows, and at its each base for operation and services each comprehensive strategy is formulated against four reporting segments: "Sugar Business", "Functional Materials Business", "Real Estate Business", and "Other Food Business".

Reporting Segments	Major products and services
Sugar Business	Sugar, Liquid sugar, Sugar related products, etc.
Functional Materials Business	Food additives, Flower freshness preservation agent, Functional Food materials, Natural additive materials, etc.
Real Estate Business	Real estate lease, etc.
Other Food Business	Baking, etc.

2. Information on the calculation methods of net sales, profit/loss, assets, and other items by each reporting segment

For further details of accounting process at each reporting segment, please refer to "Important matters concerning preparation of consolidated financial statements" of the "Annual Securities Reports (Japanese only)".

3. Information on amounts of net sales, profit/loss, asset, and others by each reporting segment, and revenue breakdown information

Fiscal year 2022 (from April 1, 2022 to March 31, 2023)

(Thousand yen)

	Reporting Segment					Adjustments (Note:1)	Amount recorded in the consolidated statements (Note:2)
	Sugar Business	Functional Materials Business	Real Estate Business	Other Food Business	Total		
Net sales							
Sugar, Sugar related products, etc.	11,678,222	—	—	—	11,678,222	—	11,678,222
Food Additives	—	176,608	—	—	176,608	—	176,608
Functional Food Materials	—	9,584,381	—	—	9,584,381	—	9,584,381
Flower Freshness Preservation Agent	—	262,398	—	—	262,398	—	262,398
Baking, etc.	—	—	—	402,700	402,700	—	402,700
Income generated by Contracts with customers	11,678,222	10,023,387	—	402,700	22,104,310	—	22,104,310
Other income	—	—	573,541	—	573,541	—	573,541
Net sales to third-party customers	11,678,222	10,023,387	573,541	402,700	22,677,852	—	22,677,852
Intersegment net sales and transfer	12,885	—	5,998	39,436	58,320	(58,320)	—
Total	11,691,107	10,023,387	579,540	442,136	22,736,173	(58,320)	22,677,852
Segment profit (loss)	1,024,796	1,087,669	533,423	13,617	2,659,506	(845,427)	1,814,079
Segment asset	12,448,571	6,658,377	1,759,793	68,621	20,935,363	7,321,124	28,256,487
Others							
Depreciation and amortization	34,516	85,989	3,448	6,529	130,484	5,232	135,717
Impairment losses	12,060	—	—	—	12,060	—	12,060
Amortization of goodwill	—	—	—	—	—	—	—
Increase in property, plant, and equipment, and intangible assets	37,992	213,122	396	62,564	314,074	—	314,074

Notes: 1. Adjustments are as follows:

- (1) Adjustment for segment profit of (845,427) thousand yen is general and administrative expenses of administrative department and research and development, which doesn't belong to the reporting segment above.
- (2) Adjustment for segment assets of 7,321,124 thousand yen is mainly surplus fund such as "cash, cash equivalent and deposits", investment fund such as "investment securities", and so on, which don't belong to the reporting segments above.
- (3) Adjustment for depreciation and amortization of 5,232 thousand yen is related to entire business, which isn't allocated to the reporting segments above.

2. Segment profits are adjusted against the operating profit recorded in the consolidated statements of income.

Fiscal year 2023 (from April 1, 2023 to March 31, 2024)

(Thousand yen)

	Reporting Segment					Adjustments (Note:1)	Amount recorded in the consolidated statements (Note:2)
	Sugar Business	Functional Materials Business	Real Estate Business	Other Food Business	Total		
Net sales							
Sugar, Sugar related products, etc.	13,254,182	—	—	—	13,254,182	—	13,254,182
Food Additives	—	183,561	—	—	183,561	—	183,561
Functional Food Materials	—	11,555,570	—	—	11,555,570	—	11,555,570
Flower Freshness Preservation Agent	—	246,607	—	—	246,607	—	246,607
Baked goods, etc.	—	—	—	28,582	28,582	—	28,582
Income generated by Contracts with customers	13,254,182	11,985,739	—	28,582	25,268,504	—	25,268,504
Other income	—	—	621,048	—	621,048	—	621,048
Net sales to third-party customers	13,254,182	11,985,739	621,048	28,582	25,889,553	—	25,889,553
Intersegment net sales and transfer	14,218	—	5,998	27,776	47,993	(47,993)	—
Total	13,268,400	11,985,739	627,047	56,359	25,937,546	(47,993)	25,889,553
Segment profit (loss)	1,769,488	901,622	553,022	2,181	3,226,314	(1,052,927)	2,173,386
Segment asset	13,776,255	7,923,440	2,714,053	74,297	24,488,047	7,931,071	32,419,118
Others							
Depreciation and amortization	34,059	145,811	3,452	371	183,695	4,617	188,313
Impairment losses	—	—	—	—	—	—	—
Amortization of goodwill	—	12,005	—	—	12,005	—	12,005
Increase in property, plant, and equipment, and intangible assets	88,702	182,773	2,701	44	274,221	—	274,221

Notes: 1. Adjustments are as follows:

- (1) Adjustment for segment profit of (1,052,927) thousand yen is general and administrative expenses of administrative department and research and development, which doesn't belong to the reporting segment above.
- (2) Adjustment for segment assets of 7,931,071 thousand yen is mainly surplus fund such as "cash, cash equivalent and deposits", investment fund such as "investment securities", and so on, which don't belong to the reporting segments above.
- (3) Adjustment for depreciation and amortization of 4,617 thousand yen is related to entire business, which isn't allocated to the reporting segments above.

2. Segment profits are adjusted against the operating profit recorded in the consolidated statements of income.

[Related information]

Fiscal year 2022 (from April 1, 2022 to March 31, 2023)

1. Information by each product and service

Description is omitted since it is explained in "(Segment information, etc.)"

2. Information by each region

(1) Net sales

Description is omitted since net sales to third party customers in Japan account for more than 90% of the consolidated net sales.

(2) Property, plant, and equipment

(Thousand yen)

Japan	Thailand	Korea	Total
2,981,500	351,501	11	3,333,013

3. Information by major customer

(Thousand yen)

Name of customer	Net sales	Relevant segment
Sojitz Foods Corporation	9,550,667	Sugar Business and Functional Materials Business

Fiscal year 2023 (from April 1, 2023 to March 31, 2024)

1. Information by each product and service

Description is omitted since it is explained in "(Segment information, etc.)"

2. Information by each region

(1) Net sales

Description is omitted since net sales to third party customers in Japan account for more than 90% of the consolidated net sales.

(2) Property, plant, and equipment

(Thousand yen)

Japan	Thailand	Korea	Total
2,996,516	428,446	524	3,425,487

3. Information by major customer

(Thousand yen)

Name of customer	Net sales	Relevant segment
Sojitz Foods Corporation	10,725,807	Sugar Business and Functional Materials Business

[Information on impairment losses on non-current assets by each reporting segment]

Fiscal year 2022 (from April 1, 2022 to March 31, 2023)

Description is omitted since it is explained in "(Segment information, etc.)"

Fiscal year 2023 (from April 1, 2023 to March 31, 2024)

Description is omitted since it is explained in "(Segment information, etc.)"

[Information on amortization of goodwill and unamortized balance of goodwill by each reporting segment]

Fiscal year 2022 (from April 1, 2022 to March 31, 2023)

None

Fiscal year 2023 (from April 1, 2023 to March 31, 2024)

Regarding amortization of goodwill, description is omitted since it is explained in "(Segment information, etc.)"

Regarding the remaining unamortized balance of goodwill, there are no relevant items.

[Information on gain of negative goodwill by each reporting segment]

None

(Per-share information)

	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
	Yen	Yen
Net assets per share	798.84	887.29
Net profit per share	62.30	88.27

Note: 1. Regarding diluted net profit per share, description is omitted since there are no dilutive shares.

2. The basis of calculation of net assets per share and net profit per share are as follows.

(Thousand yen)

Items	FY 2022 (As of March 31, 2023)	FY 2023 (As of March 31, 2024)
(The basis of calculation)		
Total of net assets section (Thousand yen)	21,514,208	23,851,394
Amount deducted from total of net assets section (Thousand yen)	63,780	26,076
(Of the above, non-controlling interests (Thousand yen))	(63,780)	(26,076)
Net assets attributable to common shares at the end of period (Thousand yen)	21,450,427	23,825,318
Number of common shares used in calculating net assets per share (Thousand shares)	26,851	26,851

(Thousand yen)

Items	FY 2022 (From April 1, 2022 to March 31, 2023)	FY 2023 (From April 1, 2023 to March 31, 2024)
(The basis of calculation)		
Profit attributable to owners of parent (Thousand yen)	1,672,947	2,370,133
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit attributable to owners of parent attributable to common shares (Thousand yen)	1,672,947	2,370,133
Average number of shares outstanding (Thousand shares)	26,851	26,851

(Notes on occurrence of significant subsequent events)

None