

Consolidated Financial Results
for the Six Months Ended September 30, 2021
<under J-GAAP>

Company name: **Toyo Suisan Kaisha, Ltd.**
 Listing: First Section of the Tokyo Stock Exchange
 Securities code: 2875
 URL: <https://www.maruchan.co.jp/>
 Representative: Masanari Imamura, Representative Director and President
 Contact: Takayoshi Hirano, General Manager of Accounting Department
 TEL: +81-3-3458-5246 (from overseas)

Scheduled date of filing of quarterly securities report: November 12, 2021
 Scheduled date of start of dividend payment: December 6, 2021
 Preparation of quarterly results presentation materials: Yes
 Holding of quarterly results briefing meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen have been omitted.)

1. Consolidated Operating Results for the First Six Months of FY2022
(from April 1, 2021 to September 30, 2021)

(1) Consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended Sep. 30, 2021	170,498	2.2	14,796	(18.4)	15,717	(18.4)	10,975	(25.4)
Sep. 30, 2020	166,793	–	18,134	55.5	19,266	45.6	14,704	53.6

Note: Comprehensive income Six months ended September 30, 2021: 12,788 million yen [(2.1)%]
 Six months ended September 30, 2020: 13,065 million yen [129.7%]

	Basic earnings per share		Diluted earnings per share	
	Yen	Yen	Yen	Yen
Six months ended Sep. 30, 2021	107.47	–	–	–
Sep. 30, 2020	143.98	–	–	–

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., from the beginning of the first quarter of the fiscal year ending March 31, 2022. In addition, in accordance with principle-based treatment, the new accounting policy has been retrospectively applied to all prior periods. Accordingly, the year-on-year change for net sales for the six months ended September 30, 2020 is not shown due to the retrospective adjustment in accordance with the change in the accounting policy.

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Sep. 30, 2021	434,342	350,922	78.0
As of Mar. 31, 2021	428,651	343,319	77.3

Reference: Equity

As of September 30, 2021: 338,849 million yen
 As of March 31, 2021: 331,459 million yen

The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc., from the beginning of the first quarter of the fiscal year ending March 31, 2022. In addition, in accordance with principle-based treatment, the new accounting policy has been retrospectively applied to all prior periods. Accordingly, the consolidated financial position for the fiscal year ended March 31, 2021 was retrospectively adjusted.

2. Dividends

	Full Year Dividends				
	1 st quarter-end	2 nd quarter-end	3 rd quarter-end	Year-end	For the year
	Yen	Yen	Yen	Yen	Yen
FY2021	–	40.00	–	50.00	90.00
FY2022	–	40.00			
FY2022 (Forecast)			–	50.00	90.00

Note: Revisions to the dividends forecasts most recently announced: None

3. Consolidated Results Forecasts for FY2022 (from April 1, 2021 to March 31, 2022)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	360,000	5.6	32,000	(12.2)	33,500	(13.4)	25,000	(14.0)	244.79

Note: Revisions to the results forecasts most recently announced: Yes

* Notes

- (1) Changes in significant subsidiaries during the period (changes in specified subsidiaries resulting in the change in scope of consolidation): None
- (2) Application of specific accounting procedures for preparation of the quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
 - a. Changes in accounting policies due to amendments to accounting standards and other regulations: Yes
 - b. Changes in accounting policies due to other reasons: None
 - c. Changes in accounting estimates: None
 - d. Restatement: None
- (4) Number of shares issued (common stock)

- a. Number of shares issued at end of period (including treasury shares)

As of September 30, 2021	110,881,044 shares
As of March 31, 2021	110,881,044 shares

- b. Number of treasury shares at end of period

As of September 30, 2021	8,753,241 shares
As of March 31, 2021	8,753,164 shares

- c. Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	102,127,858 shares
Six months ended September 30, 2020	102,128,191 shares

* Quarterly financial results reports are exempt from quarterly reviews conducted by certified public accountants or an audit corporation.

* Explanation related to the appropriate use of the results forecasts and other items warranting special mention

(Caution regarding forward-looking statements)

Forward-looking statements in this document, including the results forecasts, etc., are based on the information available as of the date of the release of this document and the preconditions that the Company deemed to be reasonable; they are not meant to be a commitment by the Company, and a variety of factors in the future may cause actual results to differ materially from these forecasts. Please refer to Section: “(3) Explanation of forward-looking information, including consolidated results forecasts” of “1. Qualitative Information on Quarterly Consolidated Financial Results for the Six Months Ended September 30, 2021” on page 3 of the attachments for the preconditions for the results forecasts and items to exercise caution in the use of these results forecasts.

Index of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Results for the Six Months Ended September 30, 2021	2
(1) Explanation of the consolidated operating results.....	2
(2) Explanation of the consolidated financial position	3
(3) Explanation of forward-looking information, including consolidated results forecasts	3
2. Quarterly Consolidated Financial Statements and Significant Notes Thereto	4
(1) Quarterly consolidated balance sheets	4
(2) Quarterly consolidated statements of income and comprehensive income.....	6
Quarterly consolidated statements of income (Cumulative).....	6
Quarterly consolidated statements of comprehensive income (Cumulative).....	7
(3) Quarterly consolidated statements of cash flows	8
(4) Notes to quarterly consolidated financial statements	10
(Notes on going concern assumptions)	10
(Notes in the event of substantial changes in shareholders' equity).....	10
(Changes in accounting policies)	10
(Segment information)	12

1. Qualitative Information on Quarterly Consolidated Financial Results for the Six Months Ended September 30, 2021

(1) Explanation of the consolidated operating results

During the six months ended September 30, 2021, the conditions in the Japanese economy remained challenging due to the impact of the novel coronavirus disease (COVID-19). Looking ahead, although a recovery is expected amid a gradual pickup in the level of socioeconomic activities as measures to prevent the spread of infections are implemented and vaccinations increase, it is necessary to closely monitor infection trends in Japan and other countries and the impact of fluctuations in financial and capital markets, etc.

Under these circumstances, the Toyo Suisan Group (hereafter, the “Group”) has remained committed to its mission “to contribute to society through foods” and “to provide safe and secure foods and services to customers” under the corporate slogan of “Smiles for All.” The Group continued to implement further cost reductions and promoted aggressive sales activities in its efforts to face an increasingly competitive sales environment.

As a result, net sales were ¥170,498 million (up 2.2% year on year), operating profit was ¥14,796 million (down 18.4% year on year), ordinary profit was ¥15,717 million (down 18.4% year on year), and profit attributable to owners of parent was ¥10,975 million (down 25.4% year on year) for the period under review.

The foreign exchange rate used for the period was ¥111.95 to the U.S. dollar (¥105.78 to the U.S. dollar for the corresponding period of the previous fiscal year).

The operating results by segment are as follows.

In the Seafood Segment, due to the impact of requests for the public to stay at home and other measures to prevent the spread of COVID-19, although the sales for prepared food departments of some supermarkets and food delivery businesses increased, sales decreased mainly due to lower sales volume of products for convenience stores and other factors. As a result, segment sales were ¥12,133 million (down 3.0% year on year) and segment profit was ¥100 million (down 53.7% year on year) mainly due to the surge in the price of tuna as a raw material and rising procurement costs of salmon and trout, despite an increase in profit from improvement in the cost of sales ratio of fish eggs.

In the Overseas Instant Noodles Segment, sales increased overall amid the continuing high demand compared to before the COVID-19 pandemic as sales of the *Yakisoba* series and Bowl series were favorable and sales of the Instant Lunch series increased, which is one of our signature products, for cup-type noodles despite a decrease in sales of the Ramen series, which is one of our signature products in bag-type noodles. In Mexico, amid stable exchange rates for peso, sales increased due to favorable sales of both cup-type noodles, our signature products, and bag-type noodles. As a result, segment sales were ¥50,058 million (up 12.4% year on year). Segment profit was ¥4,713 million (down 39.9% year on year) mainly due to an increase in raw material costs resulting from higher prices of the main raw materials and an increase in distribution costs resulting from a higher unit price of freight, despite factors contributing to higher profit such as the curbing of sales promotion costs.

In the Domestic Instant Noodles Segment, although sales struggled for the Japanese-style series including *Akai Kitsune Udon* and *Midori no Tanuki Ten Soba*, sales increased as sales of the *MARUCHAN QTTA* series for cup-type noodles continued to be favorable amid the continuing high demand compared to before the COVID-19 pandemic. Sales in bag-type noodles decreased despite efforts to expand sales mainly of the *Maruchan Seimen* series. As a result, segment sales were ¥42,999 million (down 1.9% year on year) and segment profit was ¥4,815 million (down 20.3% year on year) due to increases mainly in sales promotion costs, despite factors such as decreases in personnel expenses and transportation and storage costs.

In the Frozen and Refrigerated Foods Segment, due to the impact of requests for the public to stay at home and other measures to prevent the spread of COVID-19, sales of products for restaurants, etc. continued on a downward trend. Sales in fresh noodles decreased despite efforts to expand sales mainly of the *Maruchan Yakisoba (Three-Meal Package)* series, which is one of our signature products, and the *Kita no Ajiwai Zaru Ramen (Two-Meal Package)* series, amid continuing high demand. As a result, segment sales were ¥26,783 million (down 4.9% year on year) and segment profit was ¥3,562 million (down 5.3% year on year) mainly due to a decrease in sales.

In the Processed Foods Segment, amid the continuing high demand compared to before the COVID-19 pandemic, sales of packaged cooked rice increased due to carrying out the plan to increase the portions of our retort packaged cooked rice products in addition to demand for aseptically packaged cooked rice products increasing due to the resurgence of people infected with COVID-19 since August. Sales continued to be favorable and increased for freeze-dried products due to the expansion of customers, mainly for the *Sozai no Chikara* series, a freeze-dried soup product with five packs in one bag, and the increase of opportunities for eating at home. As a result, segment sales were ¥9,215 million (up 3.2% year on year), and the segment reported a segment loss of ¥68 million

(compared with a segment loss of ¥490 million in the corresponding period of the previous fiscal year), an improvement of ¥421 million, mainly due to an increase in sales and a decrease in personnel expenses.

Although conditions in the Cold-Storage Segment were challenging due to stored inventory falling year on year because of the impact of the spread of COVID-19 and unseasonable weather, handling of household frozen foods increased and handling of home deliveries was steady due to stay-at-home demand as the public stays at home. As a result, segment sales were ¥11,250 million (up 3.5% year on year) and segment profit was ¥1,279 million (up 99.7% year on year) due to a decrease in motive utility costs resulting from energy-saving measures, etc. in addition to not having temporary expenses from the operation of new cold storage facilities in the previous fiscal year.

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥18,057 million (up 0.7% year on year) while segment profit was ¥743 million (up 39.6% year on year).

(2) Explanation of the consolidated financial position

At the end of the second quarter of the fiscal year ending March 31, 2022, total assets increased by ¥5,690 million from the previous fiscal year-end to ¥434,342 million, and net assets increased by ¥7,603 million to ¥350,922 million. The main factors contributing to these results are as follows:

The main contributing factors for assets were an increase in securities, despite a decrease in cash and deposits. The main contributing factors for liabilities were decreases in accrued expenses and income taxes payable, despite an increase in notes and accounts payable - trade. The main contributing factors for net assets were increases in retained earnings and foreign currency translation adjustment.

As a result of these factors, the equity ratio was 78.0%.

(Cash flows)

Cash and cash equivalents (hereafter, referred to as “cash”) as of the end of the second quarter of the fiscal year ending March 31, 2022 increased by ¥8,453 million (25.7%) from the end of the previous fiscal year to ¥41,286 million.

The respective cash flow positions during the six months ended September 30, 2021 are as follows.

Net cash provided by operating activities decreased by ¥8,857 million (37.0%) compared with the corresponding period of the previous fiscal year to ¥15,051 million. The main contributing factor was a decrease in profit before income taxes.

Net cash used in investing activities decreased by ¥31,643 million (96.0%) compared with the corresponding period of the previous fiscal year to ¥1,314 million. The main contributing factors were an increase in proceeds from redemption of securities and a decrease in payments into time deposits.

Net cash used in financing activities increased by ¥1,011 million (23.5%) compared with the corresponding period of the previous fiscal year to ¥5,314 million. The main contributing factor was an increase in dividends paid.

(3) Explanation of forward-looking information, including consolidated results forecasts

In light of the recent business performance trends, the Company has revised today (October 29, 2021) its consolidated results forecasts for the fiscal year ending March 31, 2022 that was announced on May 14, 2021. Please refer to today’s press release “Notice Concerning Revisions to Consolidated Results Forecasts for the Fiscal Year Ending March 31, 2022” for details regarding the revisions of earnings forecasts.

2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

(1) Quarterly consolidated balance sheets

(Millions of yen)

	As of end FY2021 (March 31, 2021)	As of end 2Q FY2022 (September 30, 2021)
Assets		
Current assets		
Cash and deposits	117,544	109,516
Notes and accounts receivable - trade	51,567	–
Notes and accounts receivable - trade, and contract assets	–	52,492
Securities	42,000	54,000
Merchandise and finished goods	14,467	15,162
Work in process	433	503
Raw materials and supplies	9,440	10,749
Other	3,124	3,158
Allowance for doubtful accounts	(599)	(603)
Total current assets	237,978	244,978
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	74,710	75,297
Machinery, equipment and vehicles, net	36,779	39,289
Land	34,661	34,694
Leased assets, net	2,172	2,002
Construction in progress	8,310	3,949
Other, net	1,303	1,205
Total property, plant and equipment	157,938	156,438
Intangible assets		
Other	1,267	1,333
Total intangible assets	1,267	1,333
Investments and other assets		
Investment securities	29,169	29,290
Deferred tax assets	1,358	1,305
Retirement benefit asset	37	34
Other	900	960
Total investments and other assets	31,465	31,591
Total non-current assets	190,672	189,363
Total assets	428,651	434,342

(Millions of yen)

	As of end FY2021 (March 31, 2021)	As of end 2Q FY2022 (September 30, 2021)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	24,825	26,194
Short-term borrowings	350	368
Lease obligations	296	283
Accrued expenses	22,988	21,654
Income taxes payable	4,306	2,605
Provision for bonuses for directors (and other officers)	231	58
Provision for removal cost of property, plant and equipment	24	95
Asset retirement obligations	10	–
Other	4,817	4,472
Total current liabilities	57,850	55,732
Non-current liabilities		
Lease obligations	3,519	3,414
Deferred tax liabilities	1,983	2,265
Provision for retirement benefits for directors (and other officers)	320	310
Retirement benefit liability	20,221	20,166
Provision for loss on business of subsidiaries and associates	35	–
Asset retirement obligations	213	214
Other	1,188	1,314
Total non-current liabilities	27,481	27,686
Total liabilities	85,331	83,419
Net assets		
Shareholders' equity		
Share capital	18,969	18,969
Capital surplus	22,942	22,942
Retained earnings	289,000	294,869
Treasury shares	(8,233)	(8,233)
Total shareholders' equity	322,678	328,547
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	9,006	9,067
Deferred gains or losses on hedges	16	43
Foreign currency translation adjustment	1,743	2,999
Remeasurements of defined benefit plans	(1,985)	(1,808)
Total accumulated other comprehensive income	8,780	10,302
Non-controlling interests	11,860	12,073
Total net assets	343,319	350,922
Total liabilities and net assets	428,651	434,342

(2) Quarterly consolidated statements of income and comprehensive income
Quarterly consolidated statements of income (Cumulative)

(Millions of yen)

	2Q FY2021 (from April 1, 2020 to September 30, 2020)	2Q FY2022 (from April 1, 2021 to September 30, 2021)
Net sales	166,793	170,498
Cost of sales	121,727	127,615
Gross profit	45,065	42,883
Selling, general and administrative expenses	26,930	28,086
Operating profit	18,134	14,796
Non-operating income		
Interest income	614	206
Dividend income	291	290
Share of profit of entities accounted for using equity method	–	70
Miscellaneous income	507	531
Total non-operating income	1,413	1,099
Non-operating expenses		
Interest expenses	121	117
Share of loss of entities accounted for using equity method	68	–
Miscellaneous losses	92	61
Total non-operating expenses	281	178
Ordinary profit	19,266	15,717
Extraordinary income		
Gain on sale of non-current assets	1	1
Subsidy income	1,837	138
Other	16	59
Total extraordinary income	1,854	199
Extraordinary losses		
Loss on sale and retirement of non-current assets	92	52
Impairment losses	14	24
Loss on valuation of shares of subsidiaries and associates	884	–
Provision for removal cost of property, plant and equipment	–	95
Other	3	31
Total extraordinary losses	993	202
Profit before income taxes	20,127	15,714
Income taxes - current	5,492	4,220
Income taxes - deferred	(315)	247
Total income taxes	5,177	4,467
Profit	14,950	11,247
Profit attributable to non-controlling interests	245	272
Profit attributable to owners of parent	14,704	10,975

Quarterly consolidated statements of comprehensive income (Cumulative)

(Millions of yen)

	2Q FY2021 (from April 1, 2020 to September 30, 2020)	2Q FY2022 (from April 1, 2021 to September 30, 2021)
Profit	14,950	11,247
Other comprehensive income		
Valuation difference on available-for-sale securities	794	53
Deferred gains or losses on hedges	(10)	27
Foreign currency translation adjustment	(2,918)	1,255
Remeasurements of defined benefit plans, net of tax	220	185
Share of other comprehensive income of entities accounted for using equity method	29	18
Total other comprehensive income	(1,884)	1,540
Comprehensive income	13,065	12,788
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,690	12,497
Comprehensive income attributable to non-controlling interests	374	291

(3) Quarterly consolidated statements of cash flows

(Millions of yen)

	2Q FY2021 (from April 1, 2020 to September 30, 2020)	2Q FY2022 (from April 1, 2021 to September 30, 2021)
Cash flows from operating activities		
Profit before income taxes	20,127	15,714
Depreciation	7,338	7,366
Impairment losses	14	24
Loss on valuation of shares of subsidiaries and associates	884	–
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(18)	(9)
Increase (decrease) in provision for bonuses for directors (and other officers)	(31)	(172)
Increase (decrease) in allowance for doubtful accounts	(15)	3
Increase (decrease) in retirement benefit liability	443	208
Interest and dividend income	(906)	(497)
Interest expenses	121	117
Share of loss (profit) of entities accounted for using equity method	68	(70)
Loss (gain) on sale and retirement of property, plant and equipment	90	51
Decrease (increase) in trade receivables	6,577	(893)
Decrease (increase) in inventories	(1,850)	(2,015)
Increase (decrease) in trade payables	(1,150)	1,343
Increase (decrease) in accrued expenses	(1,700)	(1,382)
Other, net	(738)	705
Subtotal	29,256	20,494
Interest and dividends received	1,068	717
Interest paid	(121)	(117)
Income taxes paid	(6,294)	(6,043)
Net cash provided by (used in) operating activities	23,908	15,051
Cash flows from investing activities		
Payments into time deposits	(46,018)	(31,478)
Proceeds from withdrawal of time deposits	40,688	48,770
Purchase of securities	(41,000)	(60,000)
Proceeds from redemption of securities	22,000	48,000
Purchase of property, plant and equipment	(8,442)	(6,324)
Proceeds from sale of property, plant and equipment	7	1
Purchase of intangible assets	(230)	(168)
Purchase of investment securities	(15)	(221)
Proceeds from sale of investment securities	30	–
Loan advances	(802)	(955)
Proceeds from collection of loans receivable	809	939
Other, net	15	123
Net cash provided by (used in) investing activities	(32,957)	(1,314)

(Millions of yen)

	2Q FY2021 (from April 1, 2020 to September 30, 2020)	2Q FY2022 (from April 1, 2021 to September 30, 2021)
Cash flows from financing activities		
Proceeds from short-term borrowings	476	395
Repayments of short-term borrowings	(469)	(377)
Dividends paid	(4,079)	(5,100)
Dividends paid to non-controlling interests	(72)	(74)
Other, net	(157)	(157)
Net cash provided by (used in) financing activities	(4,302)	(5,314)
Effect of exchange rate change on cash and cash equivalents	(585)	31
Net increase (decrease) in cash and cash equivalents	(13,937)	8,453
Cash and cash equivalents at beginning of period	43,396	32,832
Cash and cash equivalents at end of period	29,459	41,286

(4) Notes to quarterly consolidated financial statements

(Notes on going concern assumptions)

Not applicable

(Notes in the event of substantial changes in shareholders' equity)

Not applicable

(Changes in accounting policies)

(Application of Accounting Standard for Revenue Recognition, etc.)

The Company has applied the "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020), etc., from the beginning of the first quarter of the fiscal year ending March 31, 2022, and it has recognized revenue at the time the control of promised goods or services is transferred to the customer at the amount expected to be received upon exchange of said goods or services. The changes due to this application are as follows.

1. A portion of the sales promotion expenses, etc. that had previously been recorded as selling, general and administrative expenses is deducted from net sales.
2. For buy-sell transactions, raw materials, etc. supplied for value were previously derecognized. However, because the Company has an obligation to repurchase the supplied raw materials, etc. in the transactions, the supplied raw materials, etc. will not be derecognized. In addition, revenue related to the transfer of the supplied materials in the transactions is not recognized.
3. For some transactions, the total amount of consideration received from customers was recognized as revenue previously. However, for transactions in which the role of the Group is to serve as an agent or trustee in providing good or services to customers, revenue is recognized as the net amount calculated by deducting the amount paid to suppliers from the amount of consideration received from customers.

The change in the accounting policy has been applied retrospectively, in principle. Therefore, the new accounting policy was reflected in the consolidated financial statements for the same period of the previous fiscal year and for the previous fiscal year; provided, however, that in the retrospective application, the methods set forth in paragraph 85 of the Accounting Standard for Revenue Recognition were applied.

- (1) Comparative information is not retrospectively restated for contracts where nearly all the revenue amounts have been recognized prior to the beginning of the previous fiscal year subject to the previous treatment
- (2) Comparative information is retrospectively restated for the amount of variable consideration included in contracts where nearly all the revenue amounts have been recognized prior to the beginning of the current fiscal year subject to the previous treatment, using the amount when the uncertainty associated with the variable consideration is subsequently resolved

For the previous fiscal year, as a result of this change, and compared with the figures before the retrospective application, merchandise and finished goods increased by ¥99 million, raw materials and supplies increased by ¥2,480 million and other under current liabilities increased by ¥2,579 million. In addition, for the first six months of the previous fiscal year, net sales decreased by ¥36,801 million, cost of sales decreased by ¥2,561 million and selling, general and administrative expenses decreased by ¥34,241 million, but operating profit, ordinary profit and profit before income taxes did not change.

Due to the application of the Accounting Standard for Revenue Recognition, etc., "Notes and accounts receivable - trade" under current assets of the consolidated balance sheet as of the end of the previous fiscal year has been included in "Notes and accounts receivable - trade, and contract assets" under current assets from the quarterly consolidated balance sheet as of the end of the first quarter of the fiscal year ending March 31, 2022. In accordance with the transitional treatment provided for in paragraph 89-2 of the Accounting Standard for Revenue Recognition, figures for the previous fiscal year have not been restated in accordance with the new approach to presentation. Furthermore, the information on disaggregation of revenue from contracts with customers during the first six months of the previous fiscal year has not been disclosed as allowed by the transitional treatment provided for in paragraph 28-15 of the Accounting Standard for "Quarterly Financial Reporting" (ASBJ Statement No. 12, March 31, 2020).

(Application of Accounting Standard for Fair Value Measurement, etc.)

Application of the new accounting policy set forth in Accounting Standard for Fair Value Measurement, etc. is in line with the transitional measures provided for in paragraph 19 of the "Accounting Standard for Fair Value Measurement" (ASBJ Statement No. 30, July 4, 2019), etc. and paragraph 44-2 of the "Accounting

Standard for Financial Instruments” (ASBJ Statement No. 10, July 4, 2019). The Company has applied the said standards proactively as of the beginning of the first quarter of the fiscal year ending March 31, 2022. There are no impacts on the quarterly consolidated financial statements.

(Segment information)

I. Six months ended September 30, 2020 (from April 1, 2020 to September 30, 2020)

1. Information relating to net sales, profit and loss by each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on quarterly consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Net sales to outside customers	12,514	44,546	43,852	28,152	8,930	10,865	148,863	17,929	166,793	–	166,793
Intersegment sales or transfers	478	–	24	4	–	533	1,041	11	1,052	(1,052)	–
Total	12,993	44,546	43,876	28,157	8,930	11,399	149,904	17,941	167,845	(1,052)	166,793
Segment profit (loss)	217	7,846	6,038	3,763	(490)	640	18,016	532	18,548	(413)	18,134

Notes: 1. The Other Business Segment is one which is not among the reportable segments and refers to a business which is mainly involved in the packed lunch/deli food business.

2. The negative ¥413 million in segment profit or loss adjustments includes companywide expenses of negative ¥644 million which have not been allocated to each reportable segment, a negative ¥25 million adjustment to inventories, and other adjustments of ¥256 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for the offset elimination of knowhow fees from overseas subsidiaries.

3. Segment profit or loss is adjusted at the operating profit level on the quarterly consolidated financial statements.

2. Information relating to impairment losses on non-current assets or goodwill for each reportable segment
Not applicable

II. Six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

1. Information relating to net sales, profit and loss, and information on disaggregation of revenue by each reportable segment

(Millions of yen)

	Reportable segment							Other (Note 1)	Total	Adjust- ments (Note 2)	Amount reported on quarterly consoli- dated financial statements (Note 3)
	Seafood Segment	Overseas Instant Noodles Segment	Domestic Instant Noodles Segment	Frozen and Refrigerated Foods Segment	Processed Foods Segment	Cold- Storage Segment	Total				
Net sales											
Japan	11,869	–	42,999	26,783	9,215	11,250	102,118	17,915	120,034	–	120,034
The Americas	17	50,058	–	–	–	–	50,075	–	50,075	–	50,075
Other regions	246	–	–	–	–	–	246	142	388	–	388
Revenue from contracts with customers	12,133	50,058	42,999	26,783	9,215	11,250	152,440	18,057	170,498	–	170,498
Net sales to outside customers	12,133	50,058	42,999	26,783	9,215	11,250	152,440	18,057	170,498	–	170,498
Intersegment sales or transfers	416	–	26	6	–	477	926	12	938	(938)	–
Total	12,550	50,058	43,025	26,789	9,215	11,727	153,367	18,069	171,437	(938)	170,498
Segment profit (loss)	100	4,713	4,815	3,562	(68)	1,279	14,402	743	15,146	(349)	14,796

Notes: 1. The Other Business Segment is one which is not among the reportable segments and refers to a business which is mainly involved in the packed lunch/deli food business.

2. The negative ¥349 million in segment profit or loss adjustments includes companywide expenses of negative ¥597 million which have not been allocated to each reportable segment, a negative ¥1 million adjustment to inventories, and other adjustments of ¥249 million. Companywide expenses refer mainly to general and administrative expenses which do not belong to any reportable segment. Other adjustments are mainly for the offset elimination of knowhow fees from overseas subsidiaries.

3. Segment profit or loss is adjusted at the operating profit level on the quarterly consolidated financial statements.

2. Information relating to impairment losses on non-current assets or goodwill for each reportable segment
Not applicable

3. Information relating to changes in reportable segments

As described in “(Changes in accounting policies),” the Company has applied the Accounting Standard for Revenue Recognition, etc. from the beginning of the first quarter of the fiscal year ending March 31, 2022, and changed the accounting treatment for revenue recognition. Accordingly, the Company has changed the method of measuring profit or loss of reportable segments.

Please note that the segment information for the first six months of the previous fiscal year were prepared based on the new method of measuring segment profit or loss.