

July 31, 2023

# Consolidated Financial Results for the Three Months Ended June 30, 2023 <under J-GAAP>

Company name: **Toyo Suisan Kaisha, Ltd.**  
 Listing: Prime Market of the Tokyo Stock Exchange  
 Securities code: 2875  
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Scheduled date of filing of quarterly securities report: August 10, 2023

Scheduled date of start of dividend payment: —

Preparation of quarterly results presentation materials: Yes

Holding of quarterly results briefing meeting: None

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

## 1. Consolidated Operating Results for the First Three Months of FY2024 (from April 1, 2023 to June 30, 2023)

### (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	%
Three months ended Jun. 30, 2023	111,181	7.8	13,190	23.0	15,277	34.8	11,023	27.5
Jun. 30, 2022	103,127	23.3	10,727	27.7	11,330	25.9	8,649	34.3

Note: Comprehensive income Three months ended June 30, 2023: 25,537 million yen [7.3%]  
 Three months ended June 30, 2022: 23,793 million yen [310.6%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended Jun. 30, 2023	107.94	—
Jun. 30, 2022	84.69	—

### (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of Jun. 30, 2023	515,898	424,083	79.8
As of Mar. 31, 2023	497,083	404,750	78.9

Reference: Equity

As of June 30, 2023: 411,454 million yen  
 As of March 31, 2023: 392,177 million yen

## 2. Dividends

	Full Year Dividends				
	1 <sup>st</sup> quarter-end	2 <sup>nd</sup> quarter-end	3 <sup>rd</sup> quarter-end	Year-end	For the year
	Yen	Yen	Yen	Yen	Yen
FY2023	—	40.00	—	60.00	100.00
FY2024	—	—	—	—	—
FY2024 (Forecast)	—	40.00	—	60.00	100.00

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

### 3. Consolidated Results Forecasts for FY2024 (from April 1, 2023 to March 31, 2024)

(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
Half year	226,000	6.1	24,500	29.1	27,000	32.5	20,000	31.0	195.83
Full year	466,000	6.9	50,000	24.0	55,000	25.8	41,500	25.3	406.35

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

#### \* 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: None
  - 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 June 30, 2023	110,881,044 shares
As of March 31, 2023	110,881,044 shares

- b. Number of treasury shares at end of period

As of June 30, 2023	8,753,905 shares
As of March 31, 2023	8,753,672 shares

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

Three months ended June 30, 2023	102,127,159 shares
Three months ended June 30, 2022	102,127,691 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 Three Months Ended June 30, 2023” 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.

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## 1. Qualitative Information on Quarterly Consolidated Financial Results for the Three Months Ended June 30, 2023

### (1) Explanation of the consolidated operating results

During the three months ended June 30, 2023, the conditions in the Japanese economy gradually recovered from the impact of the novel coronavirus disease (COVID-19). Looking ahead, although moderate recovery in the economy is expected to continue, in part due to the effect of various policies under an improving employment and income environment, it is necessary to closely monitor the impact of rising prices and 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 ¥111,181 million (up 7.8% year on year), operating profit was ¥13,190 million (up 23.0% year on year), ordinary profit was ¥15,277 million (up 34.8% year on year), and profit attributable to owners of parent was ¥11,023 million (up 27.5% year on year) for the period under review.

The foreign exchange rate as of the end of the period was ¥144.99 to the U.S. dollar (¥136.64 to the U.S. dollar as of the end of the corresponding period of the previous fiscal year).

The operating results by segment are as follows.

In the Seafood Segment, sales were strong as demand for products for convenience stores and supermarkets for deli foods and *Onigiri* (rice balls) as well as for products for restaurant use increased as restrictions on activities were lifted and human flow recovered. In addition, local landings were strong and handling volumes increased. As a result, segment sales were ¥7,556 million (up 2.8% year on year) while segment profit was ¥133 million (up 13.0% year on year).

In the Overseas Instant Noodles Segment, although order volumes declined in the U.S. due to inventory adjustments by some customers, sales increased in Mexico due to strong sales of both cup-type noodles, our signature products, and bag-type noodles, and higher unit selling prices resulting from price revisions implemented in the U.S. and Mexico in October 2022. As a result, segment sales were ¥47,468 million (up 14.2% year on year). Segment profit was ¥9,195 million (up 44.0% year on year) mainly due to an increase in sales covering a rise in manufacturing costs mainly resulting from increases in raw material and personnel expenses.

In the Domestic Instant Noodles Segment, amid rising manufacturing costs, to steadily supply safe, secure and high-quality products, we revised our prices following the previous fiscal year in June. Under such circumstances, in cup-type noodles, we made efforts to expand sales of our mainstay products, such as *Akai Kitsune Udon*, *Midori no Tanuki Ten Soba* and the *Menzukuri series*. On the other hand, while signature products struggled due in part to price revisions, open-price products such as the *Gotsu mori series* drove an overall increase in sales. Sales fell short of target for our bag-type noodle *Maruchan ZUBAAN!* series launched in the previous fiscal year. As a result, segment sales were ¥21,989 million (up 1.5% year on year) and segment profit was ¥1,086 million (down 14.7% year on year) mainly due to an increase in depreciation despite decreases in promotion expenses and advertising expenses.

In the Frozen and Refrigerated Foods Segment, amid factors including rising raw material costs and manufacturing expenses, to steadily supply safe, secure and high-quality products, we revised our prices for fresh noodles, chilled products, frozen noodles, and partially frozen foods in April. Under such circumstances, in fresh noodles, we made efforts to expand sales of our mainstay *Maruchan Yakisoba (Three-Meal Package)* series and *Maruchan Cold Fresh Ramen Noodle (Three-Meal Package)* series. In frozen foods, sales of products for commercial use grew due to a recovery in demand for industrial catering, leisure and tourism and the cultivation of sales channels for deli foods. As a result, segment sales were ¥14,326 million (up 6.5% year on year). Segment profit was ¥1,959 million (up 6.1% year on year) mainly due to the effect of the price revision and sales expansion despite increases in raw material costs and manufacturing expenses.

In the Processed Foods Segment, amid rising manufacturing costs, to steadily supply safe and secure products, we revised our prices in April and worked on shoring up demand after the revision. Sales of aseptically packaged cooked rice and retort packaged cooked rice both increased favorably, as demand for cooked rice products remained high even after their price revisions. Sales of freeze-dried products experienced a drop in

sales after the price revision, and sales declined. As a result, segment sales were ¥4,492 million (up 2.2% year on year), and the segment reported a segment loss of ¥21 million (compared with a segment profit of ¥228 million in the corresponding period of the previous fiscal year) due to the effect of a temporary increase in repair costs, despite the effect of the price revision.

In the Cold-Storage Segment, the handling of stored inventory showed a recovery trend as restrictions on activities due to the easing of COVID-19-related restrictions, and the handling of delivered goods, etc. also increased. In addition, sales increased as a result of efforts to revise the cold warehouse fees. As a result, segment sales were ¥5,963 million (up 3.7% year on year). Segment profit was ¥648 million (down 5.8% year on year) owing to the increases in personnel expenses and repair costs, despite the increase in sales due to growth in goods handled and cold warehouse fees price revisions.

The Other Business Segment consists of mainly the packed lunch/deli food business. Segment sales were ¥9,384 million (up 4.6% year on year) while segment profit was ¥225 million (down 35.7% year on year).

## (2) Explanation of the consolidated financial position

At the end of the first quarter of the fiscal year ending March 31, 2024, total assets increased by ¥18,815 million from the previous fiscal year-end to ¥515,898 million, and net assets increased by ¥19,332 million to ¥424,083 million. The main factors contributing to these results are as follows:

The main contributing factors for assets were increases in securities and merchandise and finished goods. The main contributing factors for liabilities were a decrease in accrued expenses, despite increases in income taxes payable and deferred tax liabilities. 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 79.8%.

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

The Company has not changed its consolidated results forecasts for the first six months and the full term of the fiscal year ending March 31, 2024, as announced on May 12, 2023, as the results for the first quarter were within the expected range. If there are any changes in the future, the relevant information will be duly disclosed.

## 2. Quarterly Consolidated Financial Statements and Significant Notes Thereto

### (1) Quarterly consolidated balance sheets

(Millions of yen)

	As of end FY2023 (March 31, 2023)	As of end 1Q FY2024 (June 30, 2023)
<b>Assets</b>		
Current assets		
Cash and deposits	124,013	125,188
Notes and accounts receivable - trade, and contract assets	59,444	57,640
Securities	62,000	80,000
Merchandise and finished goods	15,533	18,954
Work in process	423	543
Raw materials and supplies	18,449	18,132
Other	5,850	5,276
Allowance for doubtful accounts	(638)	(638)
Total current assets	285,076	305,097
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	73,477	73,684
Machinery, equipment and vehicles, net	44,141	45,100
Land	35,291	35,596
Leased assets, net	1,639	1,629
Construction in progress	4,220	6,176
Other, net	1,151	1,153
Total property, plant and equipment	159,922	163,340
Intangible assets		
Other	2,553	2,556
Total intangible assets	2,553	2,556
Investments and other assets		
Investment securities	29,164	31,696
Long-term time deposits	18,000	11,000
Deferred tax assets	1,292	1,148
Retirement benefit asset	44	39
Other	1,028	1,020
Total investments and other assets	49,530	44,903
Total non-current assets	212,006	210,800
Total assets	497,083	515,898

(Millions of yen)

	As of end FY2023 (March 31, 2023)	As of end 1Q FY2024 (June 30, 2023)
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	32,320	32,011
Short-term borrowings	377	375
Lease liabilities	294	306
Accrued expenses	25,558	22,010
Income taxes payable	3,301	4,978
Provision for bonuses for directors (and other officers)	120	50
Asset retirement obligations	4	4
Other	2,671	2,954
Total current liabilities	64,648	62,691
Non-current liabilities		
Lease liabilities	3,075	3,055
Deferred tax liabilities	2,447	3,910
Provision for retirement benefits for directors (and other officers)	318	312
Retirement benefit liability	20,245	20,149
Asset retirement obligations	213	214
Other	1,382	1,481
Total non-current liabilities	27,683	29,123
Total liabilities	92,332	91,814
<b>Net assets</b>		
Shareholders' equity		
Share capital	18,969	18,969
Capital surplus	22,941	22,941
Retained earnings	326,158	331,054
Treasury shares	(8,236)	(8,237)
Total shareholders' equity	359,833	364,728
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,899	10,596
Deferred gains or losses on hedges	(34)	78
Foreign currency translation adjustment	25,305	37,811
Remeasurements of defined benefit plans	(1,826)	(1,760)
Total accumulated other comprehensive income	32,343	46,725
Non-controlling interests	12,573	12,629
Total net assets	404,750	424,083
Total liabilities and net assets	497,083	515,898

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

(Millions of yen)

	1Q FY2023 (from April 1, 2022 to June 30, 2022)	1Q FY2024 (from April 1, 2023 to June 30, 2023)
Net sales	103,127	111,181
Cost of sales	75,993	81,466
Gross profit	27,133	29,715
Selling, general and administrative expenses	16,406	16,524
Operating profit	10,727	13,190
Non-operating income		
Interest income	167	1,356
Dividend income	296	306
Share of profit of entities accounted for using equity method	33	18
Miscellaneous income	250	499
Total non-operating income	747	2,181
Non-operating expenses		
Interest expenses	56	53
Foreign exchange losses	51	–
Miscellaneous losses	35	40
Total non-operating expenses	144	94
Ordinary profit	11,330	15,277
Extraordinary income		
Gain on sale of non-current assets	0	1
Subsidy income	111	13
Other	1	0
Total extraordinary income	112	14
Extraordinary losses		
Loss on sale and retirement of non-current assets	143	15
Loss on disaster	57	–
Other	6	1
Total extraordinary losses	206	17
Profit before income taxes	11,236	15,275
Income taxes - current	1,760	3,582
Income taxes - deferred	698	616
Total income taxes	2,458	4,199
Profit	8,778	11,076
Profit attributable to non-controlling interests	128	52
Profit attributable to owners of parent	8,649	11,023



Quarterly consolidated statements of comprehensive income (Cumulative)

(Millions of yen)

	1Q FY2023 (from April 1, 2022 to June 30, 2022)	1Q FY2024 (from April 1, 2023 to June 30, 2023)
Profit	8,778	11,076
Other comprehensive income		
Valuation difference on available-for-sale securities	(83)	1,731
Deferred gains or losses on hedges	26	112
Foreign currency translation adjustment	14,947	12,505
Remeasurements of defined benefit plans, net of tax	86	70
Share of other comprehensive income of entities accounted for using equity method	39	40
Total other comprehensive income	15,015	14,461
Comprehensive income	23,793	25,537
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	23,692	25,405
Comprehensive income attributable to non-controlling interests	101	131

(3) 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

(Segment information)

I. Three months ended June 30, 2022 (from April 1, 2022 to June 30, 2022)

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	7,006	—	21,655	13,452	4,394	5,750	52,260	8,899	61,159	—	61,159
The Americas	—	41,555	—	—	—	—	41,555	—	41,555	—	41,555
Other regions	342	—	—	—	—	—	342	69	411	—	411
Net sales (Note 4)	7,349	41,555	21,655	13,452	4,394	5,750	94,158	8,968	103,127	—	103,127
Net sales to outside customers	7,349	41,555	21,655	13,452	4,394	5,750	94,158	8,968	103,127	—	103,127
Intersegment sales or transfers	174	—	15	1	—	258	449	8	458	(458)	—
Total	7,523	41,555	21,671	13,453	4,394	6,009	94,608	8,977	103,585	(458)	103,127
Segment profit	118	6,386	1,273	1,847	228	689	10,543	351	10,894	(167)	10,727

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 ¥167 million in segment profit adjustments includes companywide expenses of negative ¥313 million which have not been allocated to each reportable segment, a negative ¥66 million adjustment to inventories, and other adjustments of ¥212 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 is adjusted at the operating profit level on the quarterly consolidated financial statements.

4. Net sales are revenue mainly recognized from contracts with customers, and the amount of revenue recognized from other sources is not significant.

2. Information relating to impairment losses on non-current assets or goodwill for each reportable segment

Not applicable

II. Three months ended June 30, 2023 (from April 1, 2023 to June 30, 2023)

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	7,503	–	21,989	14,326	4,492	5,963	54,275	9,337	63,613	–	63,613
The Americas	–	47,468	–	–	–	–	47,468	–	47,468	–	47,468
Other regions	53	–	–	–	–	–	53	46	100	–	100
Net sales (Note 4)	7,556	47,468	21,989	14,326	4,492	5,963	101,797	9,384	111,181	–	111,181
Net sales to outside customers	7,556	47,468	21,989	14,326	4,492	5,963	101,797	9,384	111,181	–	111,181
Intersegment sales or transfers	421	–	23	2	0	270	718	9	727	(727)	–
Total	7,978	47,468	22,013	14,328	4,492	6,233	102,515	9,394	111,909	(727)	111,181
Segment profit (loss)	133	9,195	1,086	1,959	(21)	648	13,003	225	13,229	(38)	13,190

- 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 ¥38 million in segment profit or loss adjustments includes companywide expenses of negative ¥320 million which have not been allocated to each reportable segment, a ¥60 million adjustment to inventories, and other adjustments of ¥221 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.
  4. Net sales are revenue mainly recognized from contracts with customers, and the amount of revenue recognized from other sources is not significant.

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