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Summary of Consolidated Financial Results for the First Half of Fiscal 2025 [Japanese GAAP]

October 30, 2024

Listed Company Name: Nisshin Seifun Group Inc. Registered on Tokyo Stock Exchange
Code: 2002
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Representative: Kenji Takihara, Representative Director and President
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Date to submit the Semi-annual Securities Report: November 8, 2024
Date to start distributing dividends: December 6, 2024
Supplementary materials for these consolidated financial results: Yes
Results briefing for financial results: Yes (for analysts and institutional investors)

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

1. Consolidated Financial Results for the First Half of Fiscal 2025 (April 1, 2024 to September 30, 2024)

(1) Consolidated Business Results

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
First six months of Fiscal 2025	429,513	0.6	26,010	2.0	27,076	2.1	20,363	10.4
First six months of Fiscal 2024	426,881	9.8	25,511	60.3	26,511	53.9	18,446	–

(Note) Comprehensive income: First six months of Fiscal 2025: ¥2,544 million (-95.2%)
First six months of Fiscal 2024: ¥52,894 million (–%)

	Earnings per share	Fully diluted earnings per share
	Yen	Yen
First six months of Fiscal 2025	68.48	–
First six months of Fiscal 2024	62.04	–

(2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
September 30, 2024	784,224	511,280	63.0
March 31, 2024	826,702	516,381	60.5

(Reference) Equity capital: September 30, 2024: ¥494,367 million March 31, 2024: ¥500,302 million

2. Dividends

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

(Note) Revision to the latest forecast of dividends: Yes

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

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

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

(Note) Revision to the latest forecast of financial results: Yes

* Notes

(1) Significant changes in the scope of consolidation during the first six months of the fiscal year ending March 31, 2025
: None

(2) Adoption of special accounting treatment for preparing semi-annual consolidated financial statements: Yes

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

1) Changes in accounting policies associated with the revisions of accounting standards, etc.:	None
2) Changes in accounting policies other than the above:	None
3) Changes in accounting estimates:	None
4) Revisions restated:	None

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

1) Number of shares issued and outstanding (including treasury shares)	As of September 30, 2024	304,357,891	As of March 31, 2024	304,357,891
2) Number of treasury shares	As of September 30, 2024	7,052,269	As of March 31, 2024	6,931,745
3) Average number of shares outstanding	First six months of Fiscal 2025	297,374,485	First six months of Fiscal 2024	297,358,169

* Semi-annual earnings reports are not subject to review by certified public accountants or independent account auditors.

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

The statements contained in this document are based on various assumptions and do not constitute any guarantee or definite promise that projections of future performance or related business policies will actually be realized.

Semi-annual Consolidated Financial Statements and Related Notes

(1) Semi-annual Consolidated Balance Sheets

(Millions of yen)

	Fiscal 2024 (As of March 31, 2024)	Fiscal 2025 First Half (As of September 30, 2024)
Assets		
Current assets		
Cash and deposits	109,470	103,955
Notes and accounts receivable – trade, and contract assets	114,536	105,663
Securities	–	1,362
Inventories	124,878	116,974
Other	16,729	11,806
Allowance for doubtful accounts	(541)	(629)
Total current assets	365,072	339,133
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	72,092	71,180
Machinery, equipment and vehicles, net	66,504	64,285
Land	53,393	53,182
Right-of-use assets, net	18,471	18,317
Other, net	25,354	31,614
Total property, plant and equipment	235,815	238,579
Intangible assets		
Goodwill	6,212	5,609
Other	15,350	15,959
Total intangible assets	21,563	21,568
Investments and other assets		
Investment securities	185,445	165,887
Other	19,014	19,248
Allowance for doubtful accounts	(208)	(192)
Total investments and other assets	204,250	184,942
Total non-current assets	461,629	445,091
Total assets	826,702	784,224

(Millions of yen)

	Fiscal 2024 (As of March 31, 2024)	Fiscal 2025 First Half (As of September 30, 2024)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	76,198	62,924
Short-term loans payable	15,101	6,055
Income taxes payable	7,890	8,292
Accrued expenses	27,036	23,541
Other	37,344	30,913
Total current liabilities	163,571	131,728
Non-current liabilities		
Bonds	20,000	20,000
Long-term loans payable	12,014	11,559
Lease obligations	39,929	40,369
Deferred tax liabilities	42,671	36,863
Provision for repairs	1,278	1,371
Net defined benefit liability	23,532	23,646
Other	7,322	7,404
Total non-current liabilities	146,749	141,215
Total liabilities	310,321	272,944
Net assets		
Shareholders' equity		
Capital stock	17,117	17,117
Capital surplus	12,752	12,752
Retained earnings	344,428	357,663
Treasury shares	(10,914)	(11,137)
Total shareholders' equity	363,383	376,396
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	93,519	79,757
Deferred gains or losses on hedges	164	(229)
Foreign currency translation adjustment	43,632	38,644
Remeasurements of defined benefit plans	(398)	(221)
Total accumulated other comprehensive income	136,918	117,971
Non-controlling interests	16,078	16,913
Total net assets	516,381	511,280
Total liabilities and net assets	826,702	784,224

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income

[Semi-annual Consolidated Statements of Income]

(Millions of yen)

	First six months of Fiscal 2024 (April 1, 2023 to September 30, 2023)	First six months of Fiscal 2025 (April 1, 2024 to September 30, 2024)
Net sales	426,881	429,513
Cost of sales	335,756	332,358
Gross profit	91,124	97,155
Selling, general and administrative expenses	65,613	71,145
Operating profit	25,511	26,010
Non-operating income		
Interest income	202	447
Dividend income	1,248	1,462
Share of profit of entities accounted for using equity method	699	1,049
Other	1,121	713
Total non-operating income	3,271	3,672
Non-operating expenses		
Interest expenses	1,865	1,935
Other	406	670
Total non-operating expenses	2,271	2,605
Ordinary profit	26,511	27,076
Extraordinary income		
Gain on sale of investment securities	327	4,251
Total extraordinary income	327	4,251
Extraordinary losses		
Loss on retirement of non-current assets	207	246
Impairment losses	1,254	70
Total extraordinary losses	1,461	317
Profit before income taxes	25,377	31,011
Total income taxes	6,135	9,971
Profit	19,241	21,039
Profit attributable to non-controlling interests	794	676
Profit attributable to owners of parent	18,446	20,363

[Semi-annual Consolidated Statements of Comprehensive Income]

(Millions of yen)

	First six months of Fiscal 2024 (April 1, 2023 to September 30, 2023)	First six months of Fiscal 2025 (April 1, 2024 to September 30, 2024)
Profit	19,241	21,039
Other comprehensive income		
Valuation difference on available-for-sale securities	20,029	(13,735)
Deferred gains or losses on hedges	314	(305)
Foreign currency translation adjustment	12,753	(4,888)
Remeasurements of defined benefit plans	85	42
Share of other comprehensive income of entities accounted for using equity method	470	392
Total other comprehensive income	33,652	(18,494)
Comprehensive income	52,894	2,544
(Breakdown)		
Comprehensive income attributable to owners of parent	51,780	1,415
Comprehensive income attributable to non-controlling interests	1,113	1,128

(3) Semi-annual Consolidated Statements of Cash Flows

(Millions of yen)

	First six months of Fiscal 2024 (April 1, 2023 to September 30, 2023)	First six months of Fiscal 2025 (April 1, 2024 to September 30, 2024)
Cash flows from operating activities		
Profit before income taxes	25,377	31,011
Depreciation and amortization	11,102	11,518
Impairment losses	1,254	70
Amortization of goodwill	657	603
Interest and dividend income	(1,450)	(1,910)
Interest expenses	1,865	1,935
Share of (profit) loss of entities accounted for using equity method	(699)	(1,049)
Loss (gain) on sale of investment securities	(327)	(4,251)
Decrease (increase) in notes and accounts receivable – trade, and contract assets	(5,864)	7,865
Decrease (increase) in inventories	11,533	7,237
Increase (decrease) in notes and accounts payable - trade	(2,686)	(13,094)
Increase (decrease) in accounts payable - other, and accrued expenses	4,764	(8,175)
Other, net	1,587	2,011
Subtotal	47,113	33,771
Interest and dividend income received	1,492	2,808
Interest expenses paid	(1,879)	(1,917)
Income taxes paid	(12,960)	(2,863)
Net cash provided by (used in) operating activities	33,766	31,800
Cash flows from investing activities		
Payments into time deposits	–	(2,044)
Proceeds from withdrawal of time deposits	–	3,067
Purchase of property, plant and equipment and intangible assets	(13,419)	(20,062)
Proceeds from sale of investment securities	1,049	4,501
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(930)	–
Other, net	(515)	(129)
Net cash provided by (used in) investing activities	(13,815)	(14,688)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(5,019)	(8,634)
Repayments of long-term borrowings	(1,054)	(1,013)
Purchase of treasury shares	(118)	(223)
Cash dividends paid	(6,247)	(7,140)
Repayments of lease obligations	(2,210)	(2,276)
Other, net	(301)	(284)
Net cash provided by (used in) financing activities	(14,953)	(19,573)
Effect of exchange rate changes on cash and cash equivalents	1,742	(780)
Net increase (decrease) in cash and cash equivalents	6,740	(3,222)
Cash and cash equivalents at beginning of period	82,971	107,681
Net increase (decrease) in cash and cash equivalents due to changes in accounting period of consolidated subsidiaries	–	21
Cash and cash equivalents at end of period	89,711	104,480

[Notes on Segment Information, etc.]

[Notes on Segment Information]

I. First six months of Fiscal 2024 (April 1, 2023 to September 30, 2023)

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

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on semi-annual consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	227,750	99,153	78,064	404,968	21,912	426,881	–	426,881
Intersegment sales and transfers	9,566	988	2,252	12,807	1,181	13,989	(13,989)	–
Total	237,317	100,141	80,317	417,776	23,093	440,870	(13,989)	426,881
Segment profit	14,731	4,692	3,397	22,820	2,581	25,402	109	25,511

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

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

[Material impairment losses pertaining to non-current assets]

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

II. First six months of Fiscal 2025 (April 1, 2024 to September 30, 2024)

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

(Millions of yen)

	Reportable segment				Others (Note 1)	Total	Adjustment (Note 2)	Carried on semi-annual consolidated statements of income (Note 3)
	Flour Milling	Processed Food	Prepared Dishes and Other Prepared Foods	Total				
Net sales								
Sales to external customers	228,737	101,932	78,535	409,205	20,308	429,513	–	429,513
Intersegment sales and transfers	9,649	904	2,256	12,809	1,833	14,643	(14,643)	–
Total	238,387	102,836	80,791	422,015	22,141	444,157	(14,643)	429,513
Segment profit	15,478	3,927	3,398	22,804	3,247	26,052	(42)	26,010

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

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

[Material impairment losses pertaining to non-current assets]

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