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Consolidated Financial Results for the Year Ended June 30, 2024 [Japanese GAAP]

August 9, 2024

Company name: Okamura Foods Co.,Ltd.
Listing: Tokyo
Securities code: 2938
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Scheduled date of annual general meeting of shareholders: September 26, 2024
Scheduled date to commence dividend payments: September 27, 2024
Scheduled date to file annual securities report: September 26, 2024
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (July 1, 2023 to June 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	32,665	12.9	2,548	(20.0)	2,932	(17.3)	1,968	(17.6)
June 30, 2023	28,939	20.1	3,187	7.6	3,544	6.1	2,389	6.2

(Note) Comprehensive income: Fiscal year ended June 30, 2024: ¥ 2,374 million [(7.9)%]
Fiscal year ended June 30, 2023: ¥ 2,577 million [10.3%]

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary profit to total assets ratio	Operating profit to net sales ratio
Fiscal year ended	Yen	Yen	%	%	%
June 30, 2024	252.16	241.75	16.3	8.5	7.8
June 30, 2023	354.82	-	27.4	13.0	11.0

(Reference) Equity in earnings (losses) of affiliated companies: Fiscal year ended June 30, 2024: ¥ - million
Fiscal year ended June 30, 2023: ¥ - million

(Note) On July 29, 2023, the Company conducted a stock split at a ratio of 30 shares of common stock for each share of common stock. Therefore, profit per share is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

Diluted profit per share is not stated because, although there are dilutive shares, the Company's shares were not listed and the average stock price during the period cannot be ascertained.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2024	39,170	14,151	36.1	1,752.09
June 30, 2023	30,111	9,968	33.1	1,480.02

(Reference) Equity: As of June 30, 2024: ¥ 14,151 million
As of June 30, 2023: ¥ 9,968 million

(Note) On July 29, 2023, the Company conducted a stock split at a ratio of 30 shares of common stock for each share of common stock. Therefore, net assets per share is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(3) Consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at the end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
June 30, 2024	277	(2,339)	4,727	4,833
June 30, 2023	(1,141)	(2,126)	3,301	2,061

2. Dividends

	Annual dividends					Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
June 30, 2023	-	0.00	-	270.00	270.00	60	2.5	0.7
June 30, 2024	-	17.00	-	17.00	34.00	274	13.5	2.1
Fiscal year ending June 30, 2025 (Forecast)	-	19.00	-	19.00	38.00		14.2	

(Note) On July 29, 2023, the Company conducted a stock split at a ratio of 30 shares of common stock for each share of common stock. The amount of dividend per share for the fiscal year ended June 30, 2023 is the amount prior to the stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2025 (July 1, 2024 to June 30, 2025)

(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	36,119	10.6	3,212	26.1	2,949	0.6	2,093	6.4	268.18

* Notes:

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

June 30, 2024: 8,076,944 shares

June 30, 2023: 6,735,210 shares

2) Number of treasury shares at the end of the period:

June 30, 2024: 91 shares

June 30, 2023: - shares

3) Average number of shares outstanding during the period:

Fiscal Year ended June 30, 2024: 7,807,130 shares

Fiscal Year ended June 30, 2023: 6,735,210 shares

(Note) On July 29, 2023, the Company conducted a stock split at a ratio of 30 shares of common stock for each share of common stock. The number of shares issued and outstanding at the end of the period (including treasury stock), the number of treasury stock at the end of the period, and the average number of shares outstanding during the period were calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

(Reference) Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended June 30, 2024 (July 1, 2023 to June 30, 2024)

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

	Net sales		Operating profit		Ordinary profit		Net income	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2024	23,161	10.9	1,403	(27.0)	1,360	(24.8)	770	(30.7)
June 30, 2023	20,890	16.9	1,921	5.4	1,809	(11.3)	1,111	(10.7)

	Basic earnings per share	Diluted earnings per share
Fiscal year ended	Yen	Yen
June 30, 2024	98.64	94.57
June 30, 2023	165.07	-

(Note) On July 29, 2023, the Company conducted a stock split at a ratio of 30 shares of common stock for each share of common stock. Therefore, profit per share is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

Diluted profit per share is not stated because, although there are dilutive shares, the Company's shares were not listed and the average stock price during the period cannot be ascertained.

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
As of	Millions of yen	Millions of yen	%	Yen
June 30, 2024	26,794	7,983	29.8	988.44
June 30, 2023	21,832	5,405	24.8	802.64

(Reference) Equity: As of June 30, 2024: ¥ 7,983 million

As of June 30, 2023: ¥ 5,405 million

(Note) On July 29, 2023, the Company conducted a stock split at a ratio of 30 shares of common stock for each share of common stock. Therefore, net assets per share is calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

* This document is not subject to audit by a certified public accountant or auditing firm.

* Explanation of Appropriate Use of Earnings Forecasts and Other Special Note

The forward-looking statements, including earnings forecasts, contained in these materials are based on information currently available to the Company and certain assumptions that the Company judges to be reasonable. Actual results may differ significantly from these forecasts due to a variety of factors. For assumptions underlying the above forecasts and precautions regarding their use, please refer to “(4) Future Outlook" under “1. Overview of Operating Results, etc." on page 5.

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1. Overview of Operating Results, etc.

(1) Overview of Operating Results for the Fiscal Year Under Review

An overview of the Group's operating results for the current fiscal year is as follows.

In the current fiscal year, the Japanese economy continued to experience a rapid depreciation of the yen due to interest rate differentials with other countries. While inbound demand and other factors showed signs of recovery, the outlook remains uncertain due to soaring prices of imported resources and energy. Overseas, in Southeast Asia, which is the main business domain of the Group, the economy continues to recover due to steady demand for services. On the other hand, inflation stemming from unstable global conditions and other factors, and the tightening of policy interest rates in various countries as a countermeasure, have led to the need for close attention to economic conditions in each country.

In the Group's business, the salmon market price has continued to rise in recent years. As a result, the domestic Aquaculture Business and Overseas Processing Business, which handle a large volume of salmon and trout, have seen their sales increase due to the high salmon market price. At the same time, the fish egg market entered an adjustment phase last year, and this has been a factor pushing down sales in the Domestic Processing Business which handles fish roe.

The Group's profit margin tends to rise when market prices are rising and fall when market prices are falling. In the previous fiscal year, the market price of both salmon, trout and roe was on an upward trend. In the current fiscal year, the market price of salmon and trout remained at a high level, although it declined slightly near the end of the fiscal year due to seasonal fluctuations. In the second half of the fiscal year, the market price of roe stabilized, but the overall market price of roe declined throughout the fiscal year. In addition, the impact of the recent increase in various costs and expanded investment in people and goods has resulted in lower profit margins in all businesses than in the previous fiscal year.

As a result, net sales in the current fiscal year increased by 3,725 million yen from the previous fiscal year to 32,665 million yen (112.9% of the previous fiscal year), operating profit decreased by 638 million yen from the previous fiscal year to 2,548 million yen (80.0% of the previous fiscal year), ordinary profit decreased by 612 million yen from the previous fiscal year to 2,932 million yen (82.7% of the previous fiscal year), and profit attributable to owners of parent decreased by 421 million yen from the previous fiscal year to 1,968 million yen (82.4% of the previous fiscal year).

The business overview of each segment is as follows.

(million yen/%)

	Net sales	Change from previous year	Year-on	Segment profit	Change from previous year	Year-on
Aquaculture Business	6,750	1,069	118.8	772	(40)	95.0
Domestic Processing Business	8,279	(436)	95.0	1,089	(373)	74.5
Overseas Processing Business	15,255	2,632	120.9	1,064	(20)	98.1
Overseas Wholesale Business	8,869	1,801	125.5	254	(263)	49.1
Adjustment amount *	(6,489)	(1,341)	126.1	(632)	59	91.4
Total	32,665	3,725	112.9	2,548	(638)	80.0

* Adjustment amount includes inter-segment transactions and corporate expenses.

(Aquaculture Business)

In the Domestic Aquaculture Business, the catch volume was lower than initially expected during the landing season starting in April due to slightly smaller adult fish weights. However, the addition of a recycling-based intermediate aquaculture farm in Imabetsu town, Aomori, in October 2023 increased the catch volume from the previous year, resulting in higher sales and profits.

On the other hand, in the Overseas Aquaculture Business, market prices of salmon and trout were favorable and sales prices rose due to the global excess demand for salmon and trout. However, this was not enough to cover the impact of soaring aquaculture costs, including feed prices, and as a result, profit margins declined from the previous fiscal year.

As a result of the above, net sales for the fiscal year under review increased by 1,069 million yen from the previous fiscal year to 6,750 million yen (118.8% year on year), and segment profit decreased by 40 million yen to 772 million yen (95.0% year on year).

Musholm A/S, one of the Company's subsidiaries in Denmark, has adopted the International Financial Reporting Standards (IFRS), and the results of valuation at fair value less costs to sell in accordance with IAS 41 "Agriculture" (cost of sales (50) million yen) are included in the profit and loss of the Aquaculture Business.

(million yen)

Net sales		6,750
Operating expenses	Material costs, personnel costs, SG & A expenses	6,027
Subtotal (Segment profit and loss excluding fair value assessment)		722
Operating expenses	Effect of fair value evaluation	50
Total (Segment profit or loss)		772

(Domestic Processing Business)

In recent years, the prices of our mainstay products, Ikura (salmon and trout roe) and Sujiko (salmon and trout roe), have continued to rise, but we entered a price adjustment phase at the end of the previous fiscal year. This business tends to experience relatively large declines in profit margins during market downturns. Although the market showed signs of bottoming out in the second half of the current fiscal year, both sales and profits declined compared with the previous fiscal year, when the market was on a rising trend.

As a result of the above, compared to the previous fiscal year, net sales decreased by 436 million yen to 8,279 million yen (95.0% year on year), and segment profit decreased by 373 million yen to 1,089 million yen (74.5% year on year).

(Overseas Processing Business)

Sales were favorable amid continued high salmon prices worldwide due to a lack of supply in the salmon and trout market. At the same time, raw material prices are soaring. Compared with the previous fiscal year, in which raw material price increases were preceded by sales price increases, the current fiscal year was unable to sufficiently pass on higher raw material costs to sales prices, resulting in a decline in overall profit margins.

As a result of the above, net sales for the fiscal year under review increased by 2,632 million yen from the previous fiscal year to 15,255 million yen (120.9% year on year), and segment profit decreased by 20 million yen to 1,064 million yen (98.1% year on year).

(Overseas Wholesale Business)

The scale of the Japanese food market, mainly in Asia, has continued to expand in recent years, and against this background, this business is on an expansion trend. This trend continued in the current fiscal year, and sales were steady. At the same time, we have been unable to keep pace with rapid growth in the scale of our business with the development of human resources and products that are necessary for sales and logistics. In the current fiscal year, we invested intensively to prepare for further growth by proactively improving the maintenance of people and goods. As a result, personnel expenses, warehouse expenses, depreciation, and other expenses increased, and the current fiscal year's profit margin declined.

As a result of the above, net sales for the fiscal year under review increased by 1,801 million yen from the previous fiscal year to 8,869 million yen (125.5% year on year), and segment profit decreased by 263 million yen to 254 million yen (49.1% year on year).

(2) Overview of Financial Position for the Fiscal Year Under Review

The financial position of the Group as of the end of the current fiscal year is as follows.

(Assets)

Current assets at the end of the current fiscal year were 29,249 million yen, an increase of 6,667 million yen from the end of the previous fiscal year. This was mainly due to an increase of 2,772 million yen in cash and deposits as a result of a capital increase accompanying our listing on the Tokyo Stock Exchange Standard Market and the borrowing of working capital to procure raw materials, as well as an increase of 1,135 million yen in accounts receivable - trade due to the expansion of each of our main businesses. Non-current assets were 9,920 million yen, an increase of 2,391 million yen from the end of the previous fiscal year. This was mainly due to an increase of 1,007 million yen in buildings and structures as a result of investment in aquaculture facilities and an increase of 846 million yen in leased assets as a result of the conclusion of a new agreement for external storage warehouses in the Overseas Wholesale Business.

As a result, total assets increased by 9,058 million yen from the end of the previous fiscal year to 39,170 million yen.

(Liabilities)

Current liabilities at the end of the current fiscal year were 19,119 million yen, an increase of 3,680 million yen from the end of the previous fiscal year. This was mainly due to an increase of 2,425 million yen in short-term borrowings as working capital for the purchase of raw materials. Non-current liabilities were 5,899 million yen, an increase of 1,195 million yen from the end of the previous fiscal year. This was mainly due to an increase of 631 million yen in long-term borrowings for capital expenditures.

As a result, total liabilities increased by 4,875 million yen from the end of the previous fiscal year to 25,019 million yen.

(Net Assets)

Total net assets at the end of the current fiscal year were 14,151 million yen, an increase of 4,183 million yen from the end of the previous fiscal year. This was mainly due to an increase of 1,771 million yen in retained earnings resulting from the recording of 1,968 million yen in profit attributable to owners of parent.

(3) Overview of Cash Flows for the Fiscal Year Under Review

Net cash provided by operating activities was 277 million yen (compared with 1,141 million yen used in the previous fiscal year).

Although profit before income taxes was 2,932 million yen, the balance of accounts receivable - trade increased by 1,005 million yen due to the expansion of each of the Company's main businesses, and the balance of inventories increased by 1,681 million yen due to increases in raw material procurement costs and aquaculture costs associated with the expansion of aquaculture production.

Net cash used in investing activities was 2,339 million yen, an increase of 212 million yen from the previous fiscal year.

This was mainly due to the purchase of property, plant and equipment of 2,135 million yen (an increase of 9 million yen from the previous fiscal year) as a result of investment to expand the scale of the aquaculture business.

Net cash provided by financing activities was 4,727 million yen, an increase of 1,425 million yen from the previous fiscal year.

This was mainly due to a net increase of 2,423 million yen in short-term borrowings as a result of an increase in borrowings for working capital purposes such as the purchase of raw materials, as well as the aforementioned 1,646 million yen in proceeds from long-term borrowings for the expansion of the aquaculture business.

As a result, cash and cash equivalents at the end of the current fiscal year increased by 2,772 million yen from the end of the previous fiscal year to 4,833 million yen, as a result of adjustments for effect of exchange rate change on cash and cash equivalents of 106 million yen.

(4) Future Outlook

Although corporate earnings are expected to improve in the next fiscal year, the outlook for the Japanese economy remains uncertain due to factors such as exchange rate fluctuations resulting from changes in monetary policy, as well as rising logistics and personnel costs.

In the business environment of the Group, raw material prices for salmon and trout remain high due to the basic balance between supply and demand, with strong global demand and moderate growth in supply. However, it is expected that it will be difficult to pass on price increases in the highly price-sensitive domestic market. On the other hand, the fish roe market has already been adjusting since last year, and prices are stabilizing.

Despite these price fluctuations, the market for farm-raised salmon and trout is expected to continue expanding against the background of global population growth. The Group will continue to strive for medium- to long-term growth by expanding the scale of domestic aquaculture and strengthening sales in Asia.

For the fiscal year ending June 30, 2025, the Company is forecasting consolidated net sales of 36,119 million yen, operating profit of 3,212 million yen, ordinary profit of 2,949 million yen, and profit attributable to owners of parent of 2,093 million yen.

2. Basic Approach to the Selection of Accounting Standards

The Group's policy for the time being is to prepare its consolidated financial statements in accordance with Japanese GAAP in consideration of the comparability of periods and between companies in the consolidated financial statements.

With regard to the application of International Financial Reporting Standards, the Company's policy is to respond appropriately in consideration of various circumstances in Japan and overseas.

3.Consolidated Financial Statements

Consolidated Balance Sheets

(Millions of yen)

	As of June 30, 2023	As of June 30, 2024
Assets		
Current assets		
Cash and deposits	2,062	4,835
Accounts receivable - trade	3,235	4,371
Merchandise and finished goods	6,403	7,177
Work in process	1,138	1,697
Raw materials and supplies	7,243	7,981
Accounts receivable - other	1,912	2,543
Other	585	644
Allowance for doubtful accounts	(0)	(1)
Total current assets	22,581	29,249
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,184	5,421
Accumulated depreciation	(1,592)	(1,821)
Buildings and structures, net	2,592	3,599
Machinery, equipment and vehicles	5,062	6,648
Accumulated depreciation	(2,866)	(3,711)
Machinery, equipment and vehicles, net	2,195	2,936
Tools, furniture and fixtures	410	538
Accumulated depreciation	(274)	(362)
Tools, furniture and fixtures, net	136	176
Leased assets	625	1,703
Accumulated depreciation	(239)	(470)
Leased assets, net	386	1,233
Land	681	836
Construction in progress	675	429
Other	496	-
Accumulated depreciation	(114)	-
Other, net	382	-
Total property, plant and equipment	7,049	9,211
Intangible assets		
Other	66	266
Total intangible assets	66	266
Investments and other assets		
Investment securities	100	99
Deferred tax assets	243	212
Other	70	130
Total investments and other assets	414	442
Total non-current assets	7,529	9,920
Total assets	30,111	39,170

(Millions of yen)

	As of June 30, 2023	As of June 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	1,067	1,314
Short-term borrowings	10,132	12,558
Current portion of long-term borrowings	814	996
Lease liabilities	142	280
Income taxes payable	549	418
Accounts payable - other	629	625
Provision for shareholder benefit program	-	22
Liability related to paid supply transactions	1,886	2,546
Other	216	358
Total current liabilities	15,439	19,119
Non-current liabilities		
Long-term borrowings	3,422	4,053
Lease liabilities	488	998
Deferred tax liabilities	171	248
Retirement benefit liability	131	130
Provision for retirement benefits for directors (and other officers)	328	-
Asset retirement obligations	72	76
Other	90	391
Total non-current liabilities	4,703	5,899
Total liabilities	20,143	25,019
Net assets		
Shareholders' equity		
Share capital	90	1,093
Capital surplus	1,698	2,701
Retained earnings	8,102	9,873
Treasury shares	-	(0)
Total shareholders' equity	9,890	13,668
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(4)	(5)
Foreign currency translation adjustment	81	488
Total accumulated other comprehensive income	77	483
Total net assets	9,968	14,151
Total liabilities and net assets	30,111	39,170

Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Millions of yen)

	For the fiscal year ended June 30, 2023	For the fiscal year ended June 30, 2024
Net sales	28,939	32,665
Cost of sales	21,988	26,201
Gross profit	6,951	6,464
Selling, general and administrative expenses	3,764	3,915
Operating profit	3,187	2,548
Non-operating income		
Interest and dividend income	5	14
Foreign exchange gains	198	355
Subsidy income	211	129
Other	90	157
Total non-operating income	505	657
Non-operating expenses		
Interest expenses	142	199
Share issuance costs	-	13
Loss on abandonment of inventories	-	42
Other	5	17
Total non-operating expenses	147	273
Ordinary profit	3,544	2,932
Extraordinary income		
Insurance claim income	263	-
Total extraordinary income	263	-
Extraordinary losses		
Loss on disaster	308	-
Impairment losses	76	-
Total extraordinary losses	384	-
Profit before income taxes	3,424	2,932
Income taxes - current	1,065	877
Income taxes - deferred	(31)	86
Total income taxes	1,034	964
Profit	2,389	1,968
Profit attributable to non-controlling interests	-	-
Profit attributable to owners of parent	2,389	1,968

Consolidated Statements of Comprehensive Income

(Millions of yen)

	For the fiscal year ended June 30, 2023	For the fiscal year ended June 30, 2024
Profit	2,389	1,968
Other comprehensive income		
Valuation difference on available-for-sale securities	1	(1)
Foreign currency translation adjustment	185	407
Total other comprehensive income	187	405
Comprehensive income	2,577	2,374
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	2,577	2,374
Comprehensive income attributable to non-controlling interests	-	-

Consolidated Statements of Changes in Equity

For the fiscal year ended June 30, 2023

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	90	1,698	5,769	-	7,557
Changes during period					
Dividends of surplus			(56)		(56)
Issuance of new shares					-
Purchase of treasury shares					-
Profit attributable to owners of parent			2,389		2,389
Net changes in items other than shareholders' equity					
Total changes during period	-	-	2,332	-	2,332
Balance at end of period	90	1,698	8,102	-	9,890

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(5)	(103)	(109)	7,447
Changes during period				
Dividends of surplus				(56)
Issuance of new shares				-
Purchase of treasury shares				-
Profit attributable to owners of parent				2,389
Net changes in items other than shareholders' equity	1	185	187	187
Total changes during period	1	185	187	2,520
Balance at end of period	(4)	81	77	9,968

For the fiscal year ended June 30, 2024

(Millions of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	90	1,698	8,102	-	9,890
Changes during period					
Dividends of surplus			(197)		(197)
Issuance of new shares	1,003	1,003			2,006
Purchase of treasury shares				(0)	(0)
Profit attributable to owners of parent			1,968		1,968
Net changes in items other than shareholders' equity					
Total changes during period	1,003	1,003	1,771	(0)	3,777
Balance at end of period	1,093	2,701	9,873	(0)	13,668

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	(4)	81	77	9,968
Changes during period				
Dividends of surplus				(197)
Issuance of new shares				2,006
Purchase of treasury shares				(0)
Profit attributable to owners of parent				1,968
Net changes in items other than shareholders' equity	(1)	407	405	405
Total changes during period	(1)	407	405	4,183
Balance at end of period	(5)	488	483	14,151

Consolidated Statements of Cash Flows

(Millions of yen)

	For the fiscal year ended June 30, 2023	For the fiscal year ended June 30, 2024
Cash flows from operating activities		
Profit before income taxes	3,424	2,932
Depreciation	857	1,193
Impairment losses	76	-
Amortization of goodwill	41	-
Increase (decrease) in provision for shareholder benefit program	-	22
Increase (decrease) in allowance for doubtful accounts	(0)	0
Increase (decrease) in retirement benefit liability	(1)	(0)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	23	-
Interest and dividend income	(5)	(14)
Interest expenses	142	199
Foreign exchange losses (gains)	(95)	(181)
Insurance claim income	(263)	-
Loss on disaster	308	-
Decrease (increase) in trade receivables	(477)	(1,005)
Decrease (increase) in inventories	(3,807)	(1,681)
Increase (decrease) in trade payables	76	(54)
Increase (decrease) in liabilities related to paid supply transactions	(422)	659
Other, net	459	(593)
Subtotal	334	1,477
Interest and dividends received	5	14
Interest paid	(143)	(189)
Income taxes paid	(1,338)	(1,024)
Net cash provided by (used in) operating activities	(1,141)	277
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,125)	(2,135)
Purchase of intangible assets	(1)	(203)
Other, net	0	(0)
Net cash provided by (used in) investing activities	(2,126)	(2,339)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,291	2,423
Proceeds from long-term borrowings	729	1,646
Repayments of long-term borrowings	(847)	(896)
Proceeds from issuance of shares	-	1,974
Dividends paid	(56)	(197)
Other, net	185	(223)
Net cash provided by (used in) financing activities	3,301	4,727
Effect of exchange rate change on cash and cash equivalents	65	106
Net increase (decrease) in cash and cash equivalents	99	2,772
Cash and cash equivalents at beginning of period	1,961	2,061
Cash and cash equivalents at end of period	2,061	4,833

Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Revenue Recognition)

Breakdown of revenue generated from customer contracts

Previous fiscal year (From July 1, 2022 to June 30, 2023)

(million yen)

	Reportable segment					Adjustments (Note)	Amount recorded in the consolidated financial statements
	Aquaculture Business	Domestic Processing Business	Overseas Processing Business	Overseas Wholesale Business	Total		
Net sales							
Japan	2,725	8,554	11,251	―	22,531	(3,958)	18,572
Asia	45	34	3,365	7,223	10,668	(3,235)	7,432
Other	2,910	127	―	23	3,061	(127)	2,934
Adjustments (Note)	(1,514)	(593)	(5,034)	(179)	(7,322)	7,322	―
Revenue generated from customer contracts	4,166	8,122	9,582	7,068	28,939	―	28,939
Net sales to external customers	4,166	8,122	9,582	7,068	28,939	―	28,939

(Note) "Adjustments" includes eliminations of net sales resulting from transactions between consolidated subsidiaries.

Current fiscal year (From July 1, 2023 to June 30, 2024)

(million yen)

	Reportable segment					Adjustments (Note)	Amount recorded in the consolidated financial statements
	Aquaculture Business	Domestic Processing Business	Overseas Processing Business	Overseas Wholesale Business	Total		
Net sales							
Japan	3,171	7,728	12,820	―	23,720	(3,967)	19,753
Asia	99	280	4,425	8,888	13,693	(4,260)	9,433
Other	3,478	271	―	―	3,750	(271)	3,478
Adjustments (Note)	(1,655)	(665)	(6,160)	(18)	(8,499)	8,499	―
Revenue generated from customer contracts	5,095	7,614	11,086	8,869	32,665	―	32,665
Net sales to external customers	5,095	7,614	11,086	8,869	32,665	―	32,665

(Note) "Adjustments" includes eliminations of net sales resulting from transactions between consolidated subsidiaries.

(Segment Information, etc.)

1. Overview of reportable segments

The Company's reportable segments are the constituent units of the Company for which separate financial information is available and which are subject to periodic review by the Board of Directors in order to determine the allocation of management resources and evaluate business performance.

The Group's mission is to "supply healthy seafood to the people of the world in a responsible way with respect for nature," and its main businesses are salmon and trout farming, processing (domestic processing and overseas processing), and overseas wholesale. As a result, the Group now has four reportable segments: Aquaculture Business, Domestic Processing Business, Overseas Processing Business, and Overseas Wholesale Business.

The details of each business are as follows.

Aquaculture Business:	Trout farming and adult fish sales in Aomori and Denmark
Domestic Processing Business:	Processing and sales of Ikura (salmon and trout roe), Sujiko (salmon and trout roe), and other fish egg products at domestic factories
Overseas Processing Business:	Processing and sales of salmon, trout, mackerel, and other seafood at overseas plants
Overseas Wholesale Business:	Overseas wholesale of Japanese food products, including seafood

2. Method of calculating the amounts of net sales, profit or loss, assets, liabilities and other items for each reportable segment

The accounting method used for reportable business segments is the same as that used in the preparation of the consolidated financial statements.

Profits of reportable segments are based on operating profit.

Intersegment revenues and transfers are based on prevailing market prices.

3. Information on the amounts of net sales, profit or loss, assets, liabilities and other items for each reportable segment

Previous fiscal year (From July 1, 2022 to June 30, 2023)

(million yen)

	Reportable segment					Adjustments (Note 1)	Amount recorded in the consolidated financial statements (Note 2)
	Aquaculture Business	Domestic Processing Business	Overseas Processing Business	Overseas Wholesale Business	Total		
Net sales							
Net sales to external customers	4,166	8,122	9,582	7,068	28,939	—	28,939
Inter-segment net sales or transfers	1,514	593	3,040	—	5,148	(5,148)	—
Total	5,680	8,715	12,623	7,068	34,088	(5,148)	28,939
Segment profit	813	1,462	1,085	518	3,879	(692)	3,187
Other items							
Depreciation	568	148	11	114	843	12	857
Amortization of goodwill	—	—	—	—	—	41	41
Impairment losses	—	1	75	—	76	—	76

Notes 1. The adjustments of segment profit include (34) million yen of elimination of inter-segment transactions and (657) million yen of corporate expenses not allocated to each reportable segment. Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.

2. Segment profit is reconciled with operating profit on the consolidated statements of income.

3. Segment assets and liabilities are not listed because they are not subject to consideration for determining the allocation of management resources and evaluating business performance.

Current fiscal year (From July 1, 2023 to June 30, 2024)

(million yen)

	Reportable segment					Adjustments (Note 1)	Amount recorded in the consolidated financial statements (Note 2)
	Aquaculture Business	Domestic Processing Business	Overseas Processing Business	Overseas Wholesale Business	Total		
Net sales							
Net sales to external customers	5,095	7,614	11,086	8,869	32,665	—	32,665
Inter-segment net sales or transfers	1,655	665	4,169	—	6,489	(6,489)	—
Total	6,750	8,279	15,255	8,869	39,155	(6,489)	32,665
Segment profit	772	1,089	1,064	254	3,181	(632)	2,548
Other items							
Depreciation	764	172	8	233	1,179	13	1,193

Notes: 1. The reconciliations of segment profit include elimination of inter-segment transactions of 131 million yen and unallocated corporate expenses of (763) million yen. Corporate expenses are mainly general and administrative expenses that are not attributable to reportable segments.

2. Segment profit is reconciled with operating profit on the consolidated statements of income.

3. Segment assets and liabilities are not listed because they are not subject to consideration for determining the allocation of management resources and evaluating business performance.

(Per Share Information)

	Previous fiscal year (From July 1, 2022 to June 30, 2023)	Current fiscal year (From July 1, 2023 to June 30, 2024)
Net assets per share	1,480.02yen	1,752.09yen
Profit per share	354.82yen	252.16yen
Diluted profit per share	―yen	241.75yen

Notes: 1. Diluted profit per share for the previous fiscal year is not stated because, although there are dilutive shares, the Company's shares were not listed and the average stock price during the period cannot be ascertained.

2. On July 29, 2023, the Company conducted a stock split at a ratio of 30 shares of common stock for each share of common stock. Net assets per share and profit per share are calculated on the assumption that the stock split was implemented at the beginning of the previous fiscal year.

3. The basis for calculation of profit per share is as follows.

Item	Previous fiscal year (From July 1, 2022 to June 30, 2023)	Current fiscal year (From July 1, 2023 to June 30, 2024)
Profit per share		
Profit attributable to owners of parent (million yen)	2,389	1,968
Amount not attributable to common shareholders (million yen)	―	―
Profit attributable to owners of parent related to common stock (million yen)	2,389	1,968
Average number of common stock outstanding during the period (shares)	6,735,210	7,807,130
Diluted profit per share		
Adjustments to profit attributable to owners of parent (million yen)	―	―
Increase in common stock (shares)	―	336,268
(Stock acquisition rights (shares))	―	336,268
Outline of dilutive shares not included in the calculation of diluted profit per share because they have no dilutive effect	Two types of stock acquisition rights (number of stock acquisition rights: 597,660 shares)	-

4. The basis for calculation of net assets per share is as follows.

Item	Previous fiscal year (June 30, 2023)	Current fiscal year (June 30, 2024)
Total net assets (million yen)	9,968	14,151
Amount deducted from total net assets (million yen)	―	―
Net assets attributable to common stock at end of year (million yen)	9,968	14,151
Number of shares of common stock at year-end used for calculation of net assets per share	6,735,210	8,076,853

(Significant Subsequent Events)

Not applicable.