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Consolidated Financial Results for the Year Ended March 31, 2024 [Japanese GAAP]

May 10, 2024

Company name: The Nisshin Oillio Group, Ltd.

Stock exchange listing: Tokyo

Code number: 2602

URL: <https://www.nisshin-oillio.com/english/>

Representative: Takahisa Kuno, Representative Director and President

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Scheduled date of Annual General Meeting of Shareholders: June 27, 2024

Scheduled date of commencing dividend payments: June 28, 2024

Scheduled date of filing annual securities report: June 27, 2024

Availability of supplementary briefing material on annual financial results: Available

Schedule of annual financial results briefing session: Available (for analysts and institutional investors)

(Amounts of less than one million yen are rounded down.)

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

(1) Consolidated Operating Results

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|----------------------------------|-------------|-------|------------------|------|-----------------|------|---|------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| Fiscal year ended March 31, 2024 | 513,541 | (7.7) | 20,840 | 28.8 | 20,033 | 23.3 | 15,148 | 35.8 |
| March 31, 2023 | 556,565 | 28.6 | 16,186 | 38.7 | 16,242 | 28.4 | 11,157 | 29.8 |

(Note) Comprehensive income: Fiscal year ended March 31, 2024: ¥25,564 million [156.7%]
Fiscal year ended March 31, 2023: ¥9,958 million [(28.0)%]

| | 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 | % | % | % |
| March 31, 2024 | 467.37 | - | 8.8 | 5.2 | 4.1 |
| March 31, 2023 | 344.25 | - | 7.0 | 4.5 | 2.9 |

(Reference) Equity in earnings of affiliated companies: Fiscal year ended March 31, 2024: ¥(561) million
Fiscal year ended March 31, 2023: ¥404 million

(2) Consolidated Financial Position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------|--------------|-------------|------------------------|----------------------|
| As of | Million yen | Million yen | % | Yen |
| March 31, 2024 | 393,382 | 192,562 | 46.4 | 5,634.36 |
| March 31, 2023 | 374,453 | 171,418 | 43.4 | 5,015.63 |

(Reference) Equity: As of March 31, 2024: ¥182,622 million
As of March 31, 2023: ¥162,559 million

(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 | Million yen | Million yen | Million yen | Million yen |
| March 31, 2024 | 36,715 | (16,083) | (14,586) | 16,483 |
| March 31, 2023 | 398 | (6,143) | 6,342 | 10,899 |

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 | Million yen | % | % |
| March 31, 2023 | - | 45.00 | - | 75.00 | 120.00 | 3,905 | 34.9 | 2.4 |
| March 31, 2024 | - | 60.00 | - | 110.00 | 170.00 | 5,538 | 36.4 | 3.2 |
| Fiscal year ending March 31, 2025 (Forecast) | - | 90.00 | - | 90.00 | 180.00 | | 40.2 | |

(Note) Please refer to the "Announcement of Dividend on Retained Earnings (Dividend Increase)" released today (May 10, 2024) for the year-end dividend.

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

(% indicates changes from the previous corresponding period.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Basic earnings per share |
|-----------|-------------|-----|------------------|-----|-----------------|-------|---|-------|--------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Full year | 535,000 | 4.2 | 21,000 | 0.8 | 20,000 | (0.2) | 14,500 | (4.3) | 447.36 |

Notes:

(1) Changes in significant subsidiaries during the period under review (changes in specified subsidiaries resulting in changes in scope of consolidation): None

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

1) Changes in accounting policies due to the revision of accounting standards: None

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(3) Total number of issued shares (common stock)

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

March 31, 2024: 33,716,257 shares

March 31, 2023: 33,716,257 shares

2) Total number of treasury stock at the end of the period:

March 31, 2024: 1,304,040 shares

March 31, 2023: 1,305,677 shares

3) Average number of shares during the period:

Fiscal Year ended March 31, 2024: 32,412,373 shares

Fiscal Year ended March 31, 2023: 32,409,962 shares

(Note) Please refer to "Per Share Information" on page 30 for shares used as the basis for calculating basic earnings per share (consolidated).
(The Company's shares held by the Trust Account for Stock Delivery to Directors are included in treasury stocks.)

(Reference) Summary of Non-consolidated Financial Results

Non-consolidated Financial Results for the Fiscal Year Ended March 31, 2024 (April 1, 2023 to March 31, 2024)

(1) Non-consolidated Operating Results

(% indicates changes from the previous corresponding period.)

| Fiscal year ended | Net sales | | Operating profit | | Ordinary profit | | Net income | |
|-------------------|-------------|-------|------------------|------|-----------------|------|-------------|------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| March 31, 2024 | 330,856 | (7.1) | 13,757 | 92.9 | 16,012 | 80.9 | 12,391 | 94.2 |
| March 31, 2023 | 356,062 | 32.0 | 7,132 | 73.7 | 8,851 | 71.5 | 6,382 | 53.8 |

| Fiscal year ended | Basic earnings per share | Diluted earnings per share |
|-------------------|--------------------------|----------------------------|
| | Yen | Yen |
| March 31, 2024 | 382.02 | - |
| March 31, 2023 | 196.77 | - |

(2) Non-consolidated Financial Position

| As of | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------|--------------|-------------|------------------------|----------------------|
| | Million yen | Million yen | % | Yen |
| March 31, 2024 | 296,857 | 130,603 | 44.0 | 4,026.42 |
| March 31, 2023 | 294,101 | 119,068 | 40.5 | 3,671.00 |

(Reference) Equity: As of March 31, 2024: ¥130,603 million

As of March 31, 2023: ¥119,068 million

- The Consolidated Financial Results are not subject to audit by certified public accountants or audit firms.
- Explanation of the appropriate use of earnings forecasts and other notes: The forward-looking statements, including earnings forecasts, contained in this document are based on information currently available to the Company and certain assumptions deemed reasonable, and are not intended as a promise by the Company that they will be achieved. Actual results may differ materially due to a variety of factors. Please refer to "1. Overview of Business Performance, (4) Outlook Going Forward " on page 11 for the conditions that form the assumptions for the forecast of financial results and cautions concerning the use of the forecast of financial results.

Financial results briefing for analysts and institutional investors via live webcast will be held as follows:

Date: May 17, 2024 (Fri.) (Only available in Japanese)

Supplementary materials will be posted on the Company's website.

[Reference]

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1. Overview of Business Performance

(1) Overview of Fiscal Year Business Performance

In the fiscal year ended March 31, 2024, the global economy saw solid performance in the U.S. economy, primarily driven by robust personal consumption amid rising share prices and other factors. However, there are concerns of a slowdown in the global economy due to factors such as the cumulative effects of monetary tightening.

Meanwhile, the Japanese economy experienced a recovery in consumption, particularly in the dining out and travel sectors, following the Japanese government's decision to relax COVID-19 response measures. However, overall activity remained weak due to price hikes caused by soaring energy costs and raw material prices.

Under such circumstances, the Group continues to mobilize its core policy, "Transform ourselves into a corporate group that continuously creates diverse values through customer centricity," in advancing the Value Up+ medium-term management plan (FY2021-FY2024). The Group is accelerating its growth trajectory through its CSV targets, which has six key priorities that serves as growth drivers. Leveraging the "Natural Power of Plants" as a foundation for value creation, the Group will also pursue sustainable growth while cultivating diverse values that can be shared with society.

The Group has set achieving an ROE level that exceeds the equity cost as its material business goal. In FY2022, ROIC was added to the business performance metrics, and the Group has tirelessly worked to enhance its profitability and asset efficiency. Furthermore, the Group has developed a framework ("Achievement Chart") of KPIs and specific initiatives under the four pillars of "growth," "active investment," "sustainability," and "efficiency," and will continue to make progress to achieve its management targets at ROE of 8.0% or higher and ROIC of 5.0% or higher in FY2024.

The consolidated financial results for the fiscal year ended March 31, 2024, are as follows:

(Million yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 | Change | YoY (%) |
|--|-------------------------------------|-------------------------------------|----------|----------|
| Net sales | 556,565 | 513,541 | (43,023) | 92.3 |
| Operating profit | 16,186 | 20,840 | +4,653 | 128.8 |
| Ordinary profit | 16,242 | 20,033 | +3,791 | 123.3 |
| Profit attributable to owners of parent | 11,157 | 15,148 | +3,991 | 135.8 |
| ROE | 7.0% | 8.8% | — | +1.8 pts |
| ROIC | 4.5% | 5.1% | — | +0.6 pts |

Overview by Segment

<< Oil and Fat >>

In the oil and fat segment, in terms of oil and meal, raw material prices have been on a declining trend after peaking, despite concerns over reduced production of raw materials caused by unfavorable weather and the yen's depreciation against the dollar. In response, the Group worked to maintain and form appropriate sales prices. In addition to expanding sales of value-added products, the Company focused on creating new markets and strengthening solution proposals. As a result, the oil and fat segment overall reported a decrease in net sales due to a decrease in the meal sales volume and the decline in unit sales prices of domestic oil and fat and overseas processed oil and fat. However, operating profit increased mainly due to sale of domestic oils and fats at appropriate prices.

◆ Oil and Meal

(Million yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 | Change | YoY (%) |
|------------------|-------------------------------------|-------------------------------------|----------|---------|
| Net sales | 350,356 | 317,995 | (32,360) | 90.8 |
| Operating profit | 9,097 | 14,478 | +5,381 | 159.2 |

Procurement environment of raw materials

Although the yen weakened against the dollar compared to the previous fiscal year, procurement costs for major raw materials, such as soybean and rapeseed, decreased owing to the factor that the market prices of these materials declined compared with the previous fiscal year.

Market prices of major raw materials

Regarding soybeans, market prices remained bearish from April 2023 onward due to increased optimism over the prospect of a bumper harvest in Brazil and successful crop planting in the U.S. However, in July, the market price rose to the US\$15 level driven by a decrease in the U.S. planting area and hot and dry weather in producing regions. Later, prices temporarily fell during the September harvest season. After planting began in Brazil, concerns about a reduced production due to the El Niño phenomenon pushed prices up from October. As these concerns diminished, prices softened at the beginning of 2024, dropping to the US\$11 level in February, and subsequently stabilized in the US\$12 range.

The market price for rapeseed was soft since April due to improvement in global supply and demand, including the recovery of production in Canada and a bumper crop in Australia. However, the price increased to mid-C\$800 in July due to hot and dry weather. As the harvest season approached, the weather improved, and in connection with the bearish price decline of other oil markets, the price decreased to mid-C\$600 in December. Since the beginning of 2024, as price fluctuating factors for rapeseed remained minimal, its prices fell in tandem with soybean prices, dropping to the C\$570 level in February. Afterward, prices recovered to the C\$600 level, in tandem with increases in market prices for palm oil and crude oil.

Exchange rates

The dollar-yen market saw the yen depreciate against the U.S. dollar to the 150-yen level in October 2022. However, the U.S. halted its interest rate hikes and there was anticipation over Japan's shift away from the large-scale monetary-easing policy, causing the yen to appreciate and the dollar to depreciate to below 130 yen in

January 2023. In June, as there were no changes in monetary policies by Japan or by the U.S., the dollar reached the 140-yen level. In October, the yen depreciated against the dollar to the 150-yen level again. Subsequently, the anticipation of additional interest rate hikes in the U.S. waned, and expectations increased that the Bank of Japan would lift negative interest rates at an early stage. This caused the yen to appreciate against the dollar to the lower 140-yen level. However, this trend did not last long. From the beginning of 2024, transactions conscious of the difference in interest rates between Japan and the U.S. resumed, and the rate returned to the 150-yen level in February 2024.

Sales of oil and fat

In commercial-use products, the Group worked to maintain and form appropriate sales prices amid a downward trend in the prices of raw materials compared to the previous fiscal year. Through “collaborative-sales-to-identify-needs marketing,” the Group continuously made efforts to improve the quality of solutions offered, such as improving the quality of end products, reducing costs, and boosting productivity. Active proposals were made to expand sales of value-added products, such as “customer-solution-type frying oil” which reduces the acid value and coloration of the frying oil, and functional oils and fats which enhance the quality of menu items including “cooked-rice-solution oil” and “functional-solution oil” for noodle products. As COVID-19 measures relaxed, demand for dining out and tourism recovered, leading to an increase in sales volume year on year. However, a decrease in unit sales prices resulted in a decline in net sales from the previous fiscal year.

In the food processing sector, despite advancing business in alignment with market prices for raw materials, the sales volume of oils and fats for food processing decreased year on year. This was primarily due to declines in production across various industries, triggered by diminished consumer sentiment amid rising prices. As a result, net sales also decreased compared to the previous fiscal year.

For household-use products, efforts were made to increase the value of edible oils and to form a new price equilibrium point by expanding sales of products, such as *Nisshin Healthy Off*, which curtails oil absorption during deep-frying. While the price of raw materials for olive oil and other oils remained high, continuous efforts were made to revise sales prices and to boost recognition of value-added products such as “pour-and-enjoy fresh edible oil” and “flavored oil” into the market. Despite these efforts, unit sales prices decreased year on year, and sales volume also dropped due to defensive spending patterns among consumers in response to price hikes, leading to a decrease in net sales.

Therefore, net sales of overall domestic oils and fats were down from the previous year. However, as costs of oils and fats decreased, the gross profit per unit improved, resulting in an increase in operating profit.

Meal sales

As for soybean meal, although prices on the Chicago Board of Trade remained at the same level year on year, sales prices increased compared to the previous fiscal year due to the weaker yen against the U.S. dollar. On the other hand, sales volume decreased due to lower soybean crushing volume, leading to a decrease in net sales.

As for rapeseed meal, the crushing volume remained at the same level as in the previous fiscal year, but the ratio of meal to compound feed did not increase, and sales volume decreased. In addition, soft supply and demand for rapeseed meal resulted in lower sales prices, leading to a decrease in net sales.

◆ **Processed Oil and Fat**

(Million yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 | Change | YoY (%) |
|------------------|-------------------------------------|-------------------------------------|----------|---------|
| Net sales | 118,023 | 103,978 | (14,045) | 88.1 |
| Operating profit | 5,528 | 4,503 | (1,024) | 81.5 |

As for overseas processed oil and fat, although export sales at Intercontinental Specialty Fats Sdn. Bhd. in Malaysia decreased slightly, sales to domestic customers were strong, and as a result, overall sales volume increased year on year. However, net sales decreased due to a drop in sales prices caused by the decline in market price for palm oil. This factor, combined with the lower mark-to-market valuation gains on palm oil transactions, led to a decrease in operating profit.

Net sales at Intercontinental Specialty Fats (Italy) S.r.l. increased thanks to expanded sales to existing customers and acquisition of new customers. In terms of profit, despite a reactionary decline in palm oil demand following an increase during the previous fiscal year due to Russia's invasion of Ukraine, operating profit increased owing to increased sales to new and existing customers.

In the domestic processed oil and fat sector, despite the continued difficult circumstances characterized by defensive spending among consumers in response to rising prices as well as product downsizing and reductions in the amount of oils and fats used by our customers, net sales and operating profit increased. This growth was due to acquisition of new customers, adoption of new products by existing customers, and efforts to set appropriate sales prices in line with costs and continuous cost reduction initiatives.

<< **Processed Food and Materials** >>

(Million yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 | Change | YoY (%) |
|------------------|-------------------------------------|-------------------------------------|--------|---------|
| Net sales | 65,103 | 70,129 | +5,026 | 107.7 |
| Operating profit | 533 | 990 | +457 | 185.7 |

In the processed food and materials segment, despite effects from rising prices of raw materials and energy costs, net sales and operating profit increased due to higher sales volume of chocolate products and adjustments to appropriate sales prices.

In chocolate products, Daito Cacao Co., Ltd. had higher sales volume compared to the previous fiscal year due to a recovery in demand in the souvenir market and for premixed products in the bakery industry following the government's relaxation of COVID-19 response measures. Also, amid rising raw material prices and energy costs, progress was made in setting appropriate sales prices against costs, leading to increases in net sales and operating profit. T.&C. Manufacturing Co., Pte. Ltd. of Singapore and PT Indoagri Daitocacao of Indonesia reported flat sales volumes compared to the previous fiscal year. Overall, the chocolate category saw net sales and operating profit increase, partly due to the performance of Daito Cacao Co., Ltd.

In seasonings, sales volume of dressings was up from the previous fiscal year, and net sales increased. However, operating profit declined due to the significant impact of the rise in the cost of sales ratio and increased SG&A expenses.

In functional materials and foods, the Company continued to market the functionality of MCT (medium-chain triglyceride) under the concept of "shifting to a body-fat-burning constitution." The Company also worked to expand the market size by promoting the launch of MCT products in collaboration with processed food

manufacturers. While net sales increased, operating profit decreased primarily due to increased SG&A expenses despite efforts of setting appropriate sales prices in response to increases in raw material prices.

In soybean materials and foods, both net sales and operating profit increased due to the sale of soybean protein and other products at appropriate prices in response to rising raw material prices.

<< Fine Chemical >>

(Million yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 | Change | YoY (%) |
|------------------|-------------------------------------|-------------------------------------|---------|---------|
| Net sales | 20,462 | 18,884 | (1,577) | 92.3 |
| Operating profit | 1,385 | 1,208 | (176) | 87.2 |

In the fine chemical segment, sales were strong in both the domestic and Chinese markets thanks to relaxation of COVID-19 response measures. Our subsidiary in Spain, Industrial Química Lasem, S.A.U. (IQL), experienced a substantial impact of extraordinary demands driven by the pandemic in the previous fiscal year. However, this term faced a significant backlash from increased demand, resulting in a decrease in both net sales and operating profit.

As for fine chemical products, customer development made progress owing to the launch of new products for cosmetics, and global provision of solution proposals through technical support. Domestic demand for cosmetics is gradually bouncing back. Net sales and operating profit in the Chinese market increased as sales volume grew from the economic recovery from COVID-19. Meanwhile in Europe, despite the prolonged inflation finally subsiding and recovering markets, the impact of the decrease in sales volume at IQL, which performed well last year, was substantial, resulting in a decrease in both net sales and operating profit.

Environment and hygiene-related products saw a drop in sales volume due to a reduced demand for alcohol preparations. Despite efforts of revising sales prices, net sales and operating profit declined from significant impacts of soaring raw materials prices and energy costs.

<< Other >>

(Million yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 | Change | YoY (%) |
|------------------|-------------------------------------|-------------------------------------|--------|---------|
| Net sales | 2,619 | 2,553 | (66) | 97.5 |
| Operating profit | 462 | 534 | +71 | 115.6 |

In the Other category, including information systems, operating profit increased while net sales decreased year on year.

Net sales by region

(Million yen)

| | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 | Change | YoY (%) |
|----------------------|-------------------------------------|-------------------------------------|----------|-----------|
| Japan | 429,416 | 404,831 | (24,585) | 94.3 |
| Asia | 65,014 | 57,202 | (7,811) | 88.0 |
| Other | 62,134 | 51,508 | (10,626) | 82.9 |
| Overseas sales ratio | 22.8% | 21.2% | — | (1.7) pts |

Net sales in Asian markets including Malaysia and China, and Other markets, such as Europe and the U.S., fell primarily due to the impact of lower sales prices of overseas processed oil and fat products against the backdrop of declining palm oil market prices.

Reference: Net sales (non-consolidated)

(Million yen)

| | | Fiscal year ended March 31, 2023 | Fiscal year ended March 31, 2024 | Change | YoY (%) |
|------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|----------|---------|
| Oil and Fat | Oil and Meal | 317,062 | 287,479 | (29,582) | 90.7 |
| | Commercial-use and food processing | 132,883 | 121,944 | (10,938) | 91.8 |
| | Household-use | 74,654 | 70,832 | (3,821) | 94.9 |
| | Meal | 109,525 | 94,702 | (14,822) | 86.5 |
| | Processed Oil and Fat | 13,420 | 14,768 | +1,347 | 110.0 |
| | Subtotal | 330,483 | 302,247 | (28,235) | 91.5 |
| Processed Food and Materials | | 19,259 | 21,343 | +2,083 | 110.8 |
| Fine Chemical | | 5,976 | 6,858 | +882 | 114.8 |
| Other | | 342 | 406 | +63 | 118.5 |
| Total | | 356,062 | 330,856 | (25,205) | 92.9 |

(2) Overview of Fiscal Year Financial Position

Total assets on March 31, 2024, stood at ¥393,382 million, up by ¥18,929 million from the previous fiscal year-end. The main reasons for this increase were increases of ¥7,397 million in cash and deposits, ¥2,348 million in trade receivables, ¥4,084 million in property, plant and equipment, and ¥12,158 million in investment securities. This increase in total assets was partially offset by a decrease of ¥8,426 million in inventories.

Liabilities stood at ¥200,820 million, down by ¥2,214 million from the previous fiscal year-end. The main reasons for the decrease were decreases of ¥3,289 million in trade payables, ¥18,186 million in short-term borrowings, and ¥5,000 million in bonds payable. This decrease in liabilities was partially offset by increases of ¥10,000 million in current portion of bonds payable, ¥3,173 million in accounts payable - other, ¥1,631 million in accrued expenses, ¥1,188 million in income taxes payable, ¥4,318 million in long-term borrowings, and ¥1,507 million in lease liabilities.

Net assets stood at ¥192,562 million, an increase of ¥21,143 million from the previous fiscal year-end. The main factors in the increase were increases of ¥10,750 million in retained earnings and ¥9,307 million in accumulated other comprehensive income.

(3) Status of Fiscal Year Cash Flows

Cash and cash equivalents on March 31, 2024, stood at ¥16,483 million, an increase of ¥6,740 million from the previous fiscal year-end, despite a decrease of ¥1,156 million due to the corporate spin-off.

<< Cash Flows from Operating Activities >>

Operating activities provided net cash of ¥36,715 million. The main factors increasing cash were profit before income taxes of ¥21,169 million, depreciation of ¥9,287 million, and a decrease in inventories of ¥10,022 million. The main factors decreasing cash were an increase in trade receivables of ¥1,286 million, a decrease in trade payables of ¥4,274 million, and income taxes paid of ¥5,025 million.

<< Cash Flows from Investing Activities >>

Investing activities used net cash of ¥16,083 million. The main factor decreasing cash was purchase of property, plant and equipment of ¥14,763 million.

<< Cash Flows from Financing Activities >>

Financing activities used net cash of ¥14,586 million. The main factors increasing cash were proceeds from long-term borrowings of ¥5,064 million and proceeds from bond issuance of ¥5,000 million. The main factors decreasing cash were net decrease in short-term borrowings of ¥18,653 million, repayments of long-term borrowings of ¥947 million, and dividends paid of ¥4,378 million.

(4) Outlook Going Forward

In the global economy, inflation rates are steadily trending downward, particularly in the U.S. However, the economy is undergoing a gradual slowdown as a result of the effects of lower demand caused by monetary tightening, stagnation of the Chinese economy due to continued sluggish consumption and investment, and other factors. In addition, there is still a high level of caution regarding geopolitical risks including prolongation of the situation in Ukraine, trade friction between the U.S. and China, and rising crude oil prices and supply chain disruptions due to deteriorating circumstances in the Middle East. The future outlook is expected to remain

uncertain.

In Japan, restrictions on activity have been eased and inbound demand is increasing in conjunction with the government's relaxation of COVID-19 response measures under the Infectious Disease Control Law in May 2023. Socioeconomic activities are on a mild recovery trend, some signs of a standstill in some areas notwithstanding. On the other hand, there are concerns regarding the risk of a downturn in future economic trends including weak personal consumption due to rising prices caused by persistent high prices for raw materials and soaring energy prices.

There are concerns that procurement prices will increase and remain high for raw materials including soybeans, rapeseed, and palm oil, which have a significant impact on the Group, due to the continuing downward trend of the yen, robust expansion of demand for biofuels, and other factors. In addition, the Company's business environment remains uncertain and challenging including rising market prices for olive oil and cacao beans resulting from historic crop failures caused by unseasonable weather and higher costs due to the selection of alternate transit routes to avoid the Panama Canal and Suez Canal for raw material procurement.

Within these business conditions, the Group formulated "The Nisshin Oillio Group Vision 2030," which highlights its long-term vision and strategic approach. The Group is also implementing "Value Up+," its four-year medium-term management plan (FY2021–FY2024) intended to achieve the goals set out in "The Nisshin Oillio Group Vision 2030." Under the medium-term management plan, the Group is working to implement its strategies and measures to transform itself into a corporate group that continuously creates diverse values through more customer centricity than ever before.

For FY2024, the final year of the "Value Up+" medium-term management plan, the Group forecasts consolidated net sales of ¥535,000 million, operating profit of ¥21,000 million, ordinary profit of ¥20,000 million, and profit attributable to owners of parent of ¥14,500 million.

Urgent issues for the Group to address include reinforcing functional products and solutions in the domestic market to capture consumer needs, expanding sales of specialty fats and cosmetic ingredients in the global market, investing in future growth, and steadily implementing measures relating to expanding business and strengthening foundations. To become a global leader in providing oils and fats solutions in the medium- to long-term, the Group aims for sustainable growth by creating diverse values that can be shared with society upon leveraging the "Natural Power of Plants" as the basis for value creation.

On March 13, 2024, the Company was subjected to an on-site inspection by the Japan Fair Trade Commission for alleged violation of the Antimonopoly Act in connection with the sales of sesame oils. The Company is in earnest cooperation with this investigation.

2. Basic Approach to Selection of Accounting Standards

For the time being, the Group will prepare its consolidated financial statements in accordance with Japanese GAAP, taking into consideration the comparability of the consolidated financial statements between periods and among companies. Upon taking into account various conditions in and outside of Japan, the Group may adopt IFRS if appropriate.

3. Consolidated Financial Statements and Related Notes

(1) Consolidated Balance Sheets

(Million yen)

| | As of March 31, 2023 | As of March 31, 2024 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 13,036 | 20,434 |
| Notes and accounts receivable - trade | 99,578 | 101,927 |
| Inventories | 106,041 | 97,615 |
| Other | 15,104 | 12,885 |
| Allowance for doubtful accounts | (193) | (108) |
| Total current assets | 233,567 | 232,753 |
| Non-current assets | | |
| Property, plant and equipment | | |
| Buildings and structures, net | 30,819 | 28,224 |
| Machinery, equipment and vehicles, net | 34,635 | 34,092 |
| Land | 27,487 | 27,492 |
| Leased assets, net | 1,508 | 2,231 |
| Right-of-use assets, net | 4,008 | 4,764 |
| Construction in progress | 2,786 | 8,527 |
| Total property, plant and equipment | 101,247 | 105,332 |
| Intangible assets | | |
| Goodwill | 204 | 186 |
| Other | 1,916 | 2,480 |
| Total intangible assets | 2,121 | 2,667 |
| Investments and other assets | | |
| Investment securities | 27,654 | 39,812 |
| Long-term loans receivable | 25 | 27 |
| Retirement benefit asset | 5,931 | 8,399 |
| Deferred tax assets | 750 | 698 |
| Other | 3,132 | 3,652 |
| Allowance for doubtful accounts | (26) | (26) |
| Total investments and other assets | 37,467 | 52,564 |
| Total non-current assets | 140,836 | 160,564 |
| Deferred assets | | |
| Bond issuance costs | 49 | 64 |
| Total deferred assets | 49 | 64 |
| Total assets | 374,453 | 393,382 |

(Million yen)

| | As of March 31, 2023 | As of March 31, 2024 |
|--|----------------------|----------------------|
| Liabilities | | |
| Current liabilities | | |
| Notes and accounts payable - trade | 51,073 | 47,783 |
| Short-term borrowings | 33,500 | 15,313 |
| Current portion of bonds payable | - | 10,000 |
| Lease liabilities | 415 | 577 |
| Accounts payable - other | 15,217 | 18,391 |
| Accrued expenses | 7,233 | 8,865 |
| Income taxes payable | 3,327 | 4,515 |
| Provision for bonuses for directors (and other officers) | 71 | 81 |
| Other | 4,806 | 4,841 |
| Total current liabilities | 115,646 | 110,369 |
| Non-current liabilities | | |
| Bonds payable | 20,000 | 15,000 |
| Long-term borrowings | 52,313 | 56,632 |
| Lease liabilities | 5,593 | 7,100 |
| Deferred tax liabilities | 6,254 | 8,290 |
| Provision for retirement benefits for directors (and other officers) | 229 | 250 |
| Provision for share awards | 213 | 287 |
| Retirement benefit liability | 2,062 | 2,152 |
| Other | 721 | 736 |
| Total non-current liabilities | 87,388 | 90,451 |
| Total liabilities | 203,034 | 200,820 |
| Net assets | | |
| Shareholders' equity | | |
| Share capital | 16,332 | 16,332 |
| Capital surplus | 21,663 | 21,663 |
| Retained earnings | 117,899 | 128,650 |
| Treasury shares | (4,073) | (4,068) |
| Total shareholders' equity | 151,821 | 162,576 |
| Accumulated other comprehensive income | | |
| Valuation difference on available-for-sale securities | 7,199 | 11,069 |
| Deferred gains or losses on hedges | 349 | 746 |
| Foreign currency translation adjustment | 4,213 | 7,271 |
| Remeasurements of defined benefit plans | (1,024) | 957 |
| Total accumulated other comprehensive income | 10,737 | 20,045 |
| Non-controlling interests | 8,859 | 9,940 |
| Total net assets | 171,418 | 192,562 |
| Total liabilities and net assets | 374,453 | 393,382 |

(2) Consolidated Statements of Income and Comprehensive Income

Consolidated Statements of Income

(Million yen)

| | For the fiscal year ended March 31, 2023 | For the fiscal year ended March 31, 2024 |
|---|---|---|
| Net sales | 556,565 | 513,541 |
| Cost of sales | 490,942 | 439,224 |
| Gross profit | 65,622 | 74,316 |
| Selling, general and administrative expenses | 49,436 | 53,476 |
| Operating profit | 16,186 | 20,840 |
| Non-operating income | | |
| Interest income | 104 | 180 |
| Dividend income | 382 | 433 |
| Foreign exchange gains | 83 | - |
| Share of profit of entities accounted for using equity method | 404 | - |
| Other | 487 | 678 |
| Total non-operating income | 1,462 | 1,292 |
| Non-operating expenses | | |
| Interest expenses | 873 | 1,080 |
| Loss on disposal of inventories | 141 | 151 |
| Foreign exchange losses | - | 80 |
| Share of loss of entities accounted for using equity method | - | 561 |
| Other | 390 | 223 |
| Total non-operating expenses | 1,406 | 2,098 |
| Ordinary profit | 16,242 | 20,033 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 150 | 873 |
| Gain on sale of investment securities | 1,291 | 158 |
| Gain on sale of shares of subsidiaries and associates | 48 | - |
| Gain on change in equity | - | 739 |
| Total extraordinary income | 1,490 | 1,771 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | - | 23 |
| Loss on retirement of non-current assets | 1,077 | 283 |
| Impairment losses | 1,332 | 282 |
| Loss on valuation of investment securities | - | 46 |
| Total extraordinary losses | 2,410 | 635 |
| Profit before income taxes | 15,323 | 21,169 |
| Income taxes - current | 4,799 | 6,373 |
| Income taxes - deferred | (794) | (821) |
| Total income taxes | 4,005 | 5,552 |
| Profit | 11,317 | 15,616 |
| Profit attributable to non-controlling interests | 160 | 467 |
| Profit attributable to owners of parent | 11,157 | 15,148 |

Consolidated Statements of Comprehensive Income

(Million yen)

| | For the fiscal year ended March 31, 2023 | For the fiscal year ended March 31, 2024 |
|--|---|---|
| Profit | 11,317 | 15,616 |
| Other comprehensive income | | |
| Valuation difference on available-for-sale securities | (1,827) | 3,785 |
| Deferred gains or losses on hedges | (2,289) | 507 |
| Foreign currency translation adjustment | 2,498 | 3,214 |
| Remeasurements of defined benefit plans, net of tax | (20) | 1,981 |
| Share of other comprehensive income of entities accounted for using equity method | 280 | 458 |
| Total other comprehensive income | (1,359) | 9,948 |
| Comprehensive income | 9,958 | 25,564 |
| Comprehensive income attributable to | | |
| Comprehensive income attributable to owners of parent | 9,719 | 24,457 |
| Comprehensive income attributable to non- controlling interests | 239 | 1,107 |

(3) Consolidated Statements of Changes in Equity

For the fiscal year ended March 31, 2023

(Million yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 16,332 | 21,665 | 110,379 | (4,071) | 144,305 |
| Changes during period | | | | | |
| Dividends of surplus | | | (2,923) | | (2,923) |
| Profit attributable to owners of parent | | | 11,157 | | 11,157 |
| Purchase of treasury shares | | | | (1) | (1) |
| Disposal of treasury shares | | 7 | | 0 | 7 |
| Increase (decrease) from accounting period changes of consolidated subsidiaries | | | (713) | | (713) |
| Change in transactions with non-controlling interests | | (10) | | | (10) |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | (2) | 7,520 | (1) | 7,516 |
| Balance at end of period | 16,332 | 21,663 | 117,899 | (4,073) | 151,821 |

(Million yen)

| | Accumulated other comprehensive income | | | | | Non-controlling interests | Total net assets |
|---|---|------------------------------------|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 8,715 | 2,565 | 1,642 | (1,003) | 11,919 | 8,088 | 164,314 |
| Changes during period | | | | | | | |
| Dividends of surplus | | | | | | | (2,923) |
| Profit attributable to owners of parent | | | | | | | 11,157 |
| Purchase of treasury shares | | | | | | | (1) |
| Disposal of treasury shares | | | | | | | 7 |
| Increase (decrease) from accounting period changes of consolidated subsidiaries | | | | | | | (713) |
| Change in transactions with non-controlling interests | | | | | | | (10) |
| Net changes in items other than shareholders' equity | (1,515) | (2,216) | 2,570 | (20) | (1,181) | 770 | (411) |
| Total changes during period | (1,515) | (2,216) | 2,570 | (20) | (1,181) | 770 | 7,104 |
| Balance at end of period | 7,199 | 349 | 4,213 | (1,024) | 10,737 | 8,859 | 171,418 |

For the fiscal year ended March 31, 2024

(Million yen)

| | Shareholders' equity | | | | |
|---|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | Capital surplus | Retained earnings | Treasury shares | Total shareholders' equity |
| Balance at beginning of period | 16,332 | 21,663 | 117,899 | (4,073) | 151,821 |
| Changes during period | | | | | |
| Dividends of surplus | | | (4,397) | | (4,397) |
| Profit attributable to owners of parent | | | 15,148 | | 15,148 |
| Purchase of treasury shares | | | | (3) | (3) |
| Disposal of treasury shares | | | | 8 | 8 |
| Increase (decrease) from accounting period changes of consolidated subsidiaries | | | | | - |
| Change in transactions with non-controlling interests | | | | | - |
| Net changes in items other than shareholders' equity | | | | | |
| Total changes during period | - | - | 10,750 | 4 | 10,755 |
| Balance at end of period | 16,332 | 21,663 | 128,650 | (4,068) | 162,576 |

(Million yen)

| | Accumulated other comprehensive income | | | | | Non-controlling interests | Total net assets |
|---|---|------------------------------------|---|---|--|---------------------------|------------------|
| | Valuation difference on available-for-sale securities | Deferred gains or losses on hedges | Foreign currency translation adjustment | Remeasurements of defined benefit plans | Total accumulated other comprehensive income | | |
| Balance at beginning of period | 7,199 | 349 | 4,213 | (1,024) | 10,737 | 8,859 | 171,418 |
| Changes during period | | | | | | | |
| Dividends of surplus | | | | | | | (4,397) |
| Profit attributable to owners of parent | | | | | | | 15,148 |
| Purchase of treasury shares | | | | | | | (3) |
| Disposal of treasury shares | | | | | | | 8 |
| Increase (decrease) from accounting period changes of consolidated subsidiaries | | | | | | | - |
| Change in transactions with non-controlling interests | | | | | | | - |
| Net changes in items other than shareholders' equity | 3,870 | 397 | 3,058 | 1,981 | 9,307 | 1,080 | 10,388 |
| Total changes during period | 3,870 | 397 | 3,058 | 1,981 | 9,307 | 1,080 | 21,143 |
| Balance at end of period | 11,069 | 746 | 7,271 | 957 | 20,045 | 9,940 | 192,562 |

(4) Consolidated Statements of Cash Flows

(Million yen)

| | For the fiscal year ended March 31, 2023 | For the fiscal year ended March 31, 2024 |
|--|---|---|
| Cash flows from operating activities | | |
| Profit before income taxes | 15,323 | 21,169 |
| Depreciation | 9,388 | 9,287 |
| Impairment losses | 1,332 | 282 |
| Amortization of goodwill | 36 | 40 |
| Interest and dividend income | (487) | (613) |
| Interest expenses | 873 | 1,080 |
| Share of loss (profit) of entities accounted for using equity method | (404) | 561 |
| Loss (gain) on sale and retirement of non-current assets | 927 | (566) |
| Loss (gain) on sale of investment securities | (1,291) | (158) |
| Loss (gain) on valuation of investment securities | - | 46 |
| Loss (gain) on sale of shares of subsidiaries and associates | (48) | - |
| Decrease (increase) in trade receivables | (9,416) | (1,286) |
| Decrease (increase) in inventories | (19,710) | 10,022 |
| Increase (decrease) in trade payables | 4,187 | (4,274) |
| Loss (gain) on change in equity | - | (739) |
| Decrease (increase) in retirement benefit asset | (613) | (2,468) |
| Increase (decrease) in retirement benefit liability | 112 | 90 |
| Other, net | 2,565 | 9,707 |
| Subtotal | 2,776 | 42,181 |
| Interest and dividends received | 488 | 621 |
| Interest paid | (855) | (1,062) |
| Income taxes paid | (2,011) | (5,025) |
| Net cash provided by (used in) operating activities | 398 | 36,715 |
| Cash flows from investing activities | | |
| Decrease (increase) in time deposits | (19) | (1,617) |
| Purchase of securities | - | (23) |
| Proceeds from sale of securities | - | 23 |
| Purchase of property, plant and equipment | (7,232) | (14,763) |
| Proceeds from sale of property, plant and equipment | 505 | 1,370 |
| Purchase of investment securities | (36) | (35) |
| Proceeds from sale of investment securities | 2,063 | 862 |
| Proceeds from sale of shares of subsidiaries and associates | 108 | - |
| Proceeds from collection of loans receivable | 5 | 0 |
| Other, net | (1,537) | (1,899) |
| Net cash provided by (used in) investing activities | (6,143) | (16,083) |

(Million yen)

| | For the fiscal year ended March 31, 2023 | For the fiscal year ended March 31, 2024 |
|---|---|---|
| Cash flows from financing activities | | |
| Net increase (decrease) in short-term borrowings | 1,091 | (18,653) |
| Proceeds from long-term borrowings | 15,012 | 5,064 |
| Repayments of long-term borrowings | (6,812) | (947) |
| Proceeds from issuance of bonds | - | 5,000 |
| Repayments of lease liabilities | (558) | (639) |
| Dividends paid | (2,919) | (4,378) |
| Proceeds from sale of treasury shares | 3 | 2 |
| Purchase of treasury shares | (1) | (3) |
| Proceeds from share issuance to non-controlling shareholders | 553 | - |
| Dividends paid to non-controlling interests | (26) | (29) |
| Net cash provided by (used in) financing activities | 6,342 | (14,586) |
| Effect of exchange rate change on cash and cash equivalents | 237 | 694 |
| Net increase (decrease) in cash and cash equivalents | 835 | 6,740 |
| Cash and cash equivalents at beginning of period | 7,875 | 10,899 |
| Increase (decrease) in cash and cash equivalents resulting from change in accounting period of subsidiaries | 2,187 | - |
| Decrease in cash and cash equivalents resulting from corporate spin-off | - | (1,156) |
| Cash and cash equivalents at end of period | 10,899 | 16,483 |

(5) Notes to the Consolidated Financial Statements

Notes on going concern assumption

There is no item to report.

Changes in the scope of consolidation or the scope of application of the equity method

Significant changes in the scope of consolidation

(1) Significant changes in the scope of consolidation:

IQL-USA Inc. was established in December 2023 by Industrial Química Lasem, S.A.U., a consolidated subsidiary of the Company, and IQL-USA is now included in the scope of consolidation. Also, the Company established Nisshin Oillio America Inc. in February 2024, and it too is included in the scope of consolidation.

(2) Number of consolidated subsidiaries after the change: 20

Significant changes in the scope of application of the equity method

(1) Significant changes in the scope of application of the equity method

The Company established Oilseed Processing Partners Japan, Ltd. as a joint venture company in October 2023. Oilseed Processing Partners Japan is now included in the scope of application of the equity method.

(2) Number of equity-method affiliates after the change: 7

Additional information

◆ Stock-based compensation plan for Directors and Corporate Officers

Pursuant to a resolution at the Board of Directors meeting held on May 9, 2018, the Company introduced in August 2018 a stock-based compensation plan for Directors (excluding Outside Directors) and Executive Officers of the Company (collectively, "Directors, etc."), with the goal of enhancing their awareness of contributing to the improvement of medium to long-term business performance and an increase in corporate value.

(1) Outline of Transactions

Money will be entrusted to a Trust (the "Trust") established by the Company, which will then acquire the Company's common shares (the "Company Shares"). Under this stock-based compensation plan, Company Shares are then delivered to the Directors, etc. through the Trust in proportion to the number of points granted to the Directors, etc. in accordance with the Stock Delivery Regulations established by the Board of Directors of the Company. Note that, as a rule, Directors, etc. shall be distributed with such Company Shares upon their retirement from office.

(2) Company Shares Remaining in the Trust

Company Shares remaining in the Trust are recorded as treasury shares under net assets, at their book value in the Trust (excluding the amount of any incidental expenses). The number of shares of said treasury shares and the book value were 142 thousand shares equivalent to ¥454 million at the end of the previous consolidated fiscal year, and 140 thousand shares equivalent to ¥446 million at the end of the current consolidated fiscal year.

Business combinations, etc.

◆ Formation of jointly controlled company

At the meeting held on August 9, 2023, the Board of Directors adopted a resolution and concluded a joint venture agreement with J-Oil Mills, Inc. to establish Oilseed Processing Partners Japan, Ltd. by means of a joint spinoff. Based on this, the oilseed processing functions at the Company's Mizushima Plant and J-Oil Mills' Kurashiki Plant specified in the "Spinoff Joint Venture Plan" are now treated as oilseed processing contract services, and a portion of the related assets, liabilities, rights, and obligations thereto were transferred to Oilseed Processing Partners Japan on October 2, 2023.

1. Overview of the transaction

(1) Name and details of the subject business

Oilseed processing functions at the Company's Mizushima Plant and J-Oil Mills' Kurashiki Plant (manufacturing and processing of oils & fats and oil meal)

(2) Date of business combination

October 2, 2023

(3) Legal format of business combination

Newly established by the Company and J-Oil Mills, Oilseed Processing Partners Japan is the succeeding company taking over the spinoffs from the two companies. The investment ratios of the two companies are equal.

(4) Name of company after the business combination

Oilseed Processing Partners Japan, Ltd.

(5) Other matters relating to the overview of the transaction

In accordance with the common recognition of long-term challenges in the domestic edible oil industry, the Company and J-Oil Mills aim to support food and diet in Japan into the future and contribute broadly to society by realizing stable supplies of oil and meal, enhancing sustainable international competitiveness, and solving environmental and social issues. Both companies have been studying the establishment of an oilseed processing joint venture company since May 2021. Since November 2022, the two companies have held discussions regarding the establishment of a joint venture company in the western Japan area. Having obtained the approval of the Japan Fair Trade Commission, both companies decided to execute this spinoff in October 2023.

Oilseed Processing Partners Japan will seek to build a joint business structure to bolster the international competitiveness of the domestic oilseed processing industry and ensure stable supplies over the long term. It will also promote building next-generation oilseed processing plants that contribute to environmental and social issues, including the adoption of smart factories utilizing AI and IoT as well as taking the initiative to realize a decarbonized society.

(6) Reasons for the decision to form a jointly controlled company

In forming the jointly controlled company, the Company and J-Oil Mills concluded a joint venture agreement whereby they jointly control Oilseed Processing Partners Japan. All consideration paid at the time of the business combination were by shares with voting rights. There is no other established fact indicating a controlling relationship. Accordingly, the Company determined that the business combination constitutes the establishment of a jointly controlled company.

2. Overview of accounting procedures to be implemented

In accordance with the Accounting Standard for Business Combinations (ASBJ Statement No. 21, January 16, 2019) and the Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures (ASBJ Guidance No. 10, January 16, 2019), the Company is treating this transaction as the formation of a jointly controlled company. Since it is a jointly controlled company, Oilseed Processing Partners Japan is being treated as an equity-method affiliate of the Company.

Segment information

1. Overview of Reporting Segments

The Company has established operating divisions by product; each division conducts business activities by formulating comprehensive domestic and overseas strategies for the products it handles. Therefore, the Company's business consists of product segments based on the operating divisions, with three reporting segments: "Oil and Fat," "Processed Food and Materials," and "Fine Chemical."

Main products for each reporting segment can be found in the chart below:

| Business category | | Main products |
|------------------------------|-----------------------|---|
| Oil and Fat | Oil and meal | Household-use (edible oils), edible oils for commercial use, oils and fats for food processing, oil meals |
| | Processed oil and fat | Processed palm oil products, oils and fats for chocolate, margarines, shortenings |
| Processed Food and Materials | | Chocolate-related products, household-use (salad dressing), wellness foods (MCT high-energy food, elderly/nursing care food), MCT, lecithin, tocopherol, edible soybeans, soy protein |
| Fine Chemical | | Raw materials for cosmetics and toiletries, chemical products, plant-based industrial oils, detergents, antibacterial agents, surfactants |
| Other | | Information systems, sales promotions, sports facility operations, P&C insurance agency, real estate leasing |

2. Information Regarding Amounts of Net Sales and Profit and Loss by Reporting Segment

Previous fiscal year ended March 31, 2023 (April 1, 2022, to March 31, 2023)

(Million yen)

| | Reporting segment | | | | | | Other (Note 1) | Total | Adjustments (Note 2) | Amount in the consolidated statements of income (Note 3) |
|--|-------------------|--------------------------|----------|------------------------------------|------------------|---------|-------------------|---------|-------------------------|--|
| | Oil and Fat | | | Processed Food and Materials | Fine Chemical | Total | | | | |
| | Oil and meal | Processed oil and fat | Subtotal | | | | | | | |
| Net sales | | | | | | | | | | |
| Sales to external customers | 350,356 | 118,023 | 468,379 | 65,103 | 20,462 | 553,945 | 2,619 | 556,565 | — | 556,565 |
| Intersegment sales and transfers | 1,607 | 9,457 | 11,065 | 147 | 2,233 | 13,445 | 1,836 | 15,282 | (15,282) | — |
| Total | 351,963 | 127,480 | 479,444 | 65,250 | 22,695 | 567,391 | 4,456 | 571,847 | (15,282) | 556,565 |
| Segment profit (loss) | 9,097 | 5,528 | 14,625 | 533 | 1,385 | 16,544 | 462 | 17,006 | (820) | 16,186 |
| Segment assets | 237,694 | 57,039 | 294,733 | 54,790 | 22,187 | 371,711 | 2,442 | 374,153 | 300 | 374,453 |
| Other items | | | | | | | | | | |
| Depreciation | 5,236 | 1,570 | 6,807 | 1,694 | 792 | 9,294 | 94 | 9,388 | — | 9,388 |
| Change in tangible and intangible assets | 4,765 | 3,906 | 8,672 | 1,193 | 360 | 10,226 | 44 | 10,270 | — | 10,270 |

Notes:

- The Other category is for business segments that are not included in the reporting segments, such as information systems.
- Adjustment amounts are as set forth below.

(1) The adjustment of segment profit of - ¥820 million includes unallocated expenses. These expenses mainly comprise general and administrative expenses that cannot be attributed to the reporting segments.

(2) The adjustment of segment assets of ¥300 million includes -¥1,545 million for elimination of intersegment transactions and ¥1,845 million for companywide assets not allocated to the reporting segments. The companywide assets are the Company's surplus investment funds (cash and deposits).

- Segment profit is adjusted against the operating profit recorded in the consolidated statements of income.

Current fiscal year ended March 31, 2024 (April 1, 2023, to March 31, 2024)

(Million yen)

| | Reporting segment | | | | | | Other (Note 1) | Total | Adjustments (Note 2) | Amount in the consolidated statements of income (Note 3) |
|--|-------------------|--------------------------|----------|------------------------------------|------------------|---------|-------------------|---------|-------------------------|--|
| | Oil and Fat | | | Processed Food and Materials | Fine Chemical | Total | | | | |
| | Oil and meal | Processed oil and fat | Subtotal | | | | | | | |
| Net sales | | | | | | | | | | |
| Sales to external customers | 317,995 | 103,978 | 421,973 | 70,129 | 18,884 | 510,988 | 2,553 | 513,541 | — | 513,541 |
| Intersegment sales and transfers | 2,026 | 9,112 | 11,138 | 158 | 1,458 | 12,756 | 2,080 | 14,836 | (14,836) | — |
| Total | 320,022 | 113,090 | 433,112 | 70,288 | 20,343 | 523,744 | 4,633 | 528,377 | (14,836) | 513,541 |
| Segment profit (loss) | 14,478 | 4,503 | 18,981 | 990 | 1,208 | 21,180 | 534 | 21,714 | (874) | 20,840 |
| Segment assets | 232,382 | 73,092 | 305,474 | 60,705 | 23,325 | 389,506 | 2,021 | 391,528 | 1,854 | 393,382 |
| Other items | | | | | | | | | | |
| Depreciation | 5,109 | 1,563 | 6,673 | 1,714 | 811 | 9,199 | 87 | 9,287 | — | 9,287 |
| Change in tangible and intangible assets | 8,712 | 7,332 | 16,045 | 2,277 | 725 | 19,047 | 65 | 19,113 | — | 19,113 |

Notes:

- The Other category is for business segments that are not included in the reporting segments, such as information systems.
- Adjustment amounts are as set forth below.
 - The adjustment for segment profit of - ¥874 million includes unallocated expenses. These expenses mainly comprise general and administrative expenses that cannot be attributed to the reporting segments.
 - The adjustment of segment assets of ¥1,854 million includes - ¥1,569 million for elimination of intersegment transactions and ¥3,424 million for companywide assets not allocated to the reporting segments. The companywide assets are the Company's surplus investment funds (cash and deposits).
- Segment profit is adjusted against the operating profit recorded in the consolidated statements of income.

Related information

Previous fiscal year ended March 31, 2023 (April 1, 2022, to March 31, 2023)

1. Information on individual products and services

This information is disclosed in the section on segment information, and accordingly, is omitted here.

2. Information on each region

(1) Net sales

(Million yen)

| | Japan | Asia | Other | Total |
|--------------------|---------|--------|--------|---------|
| Net sales | 429,416 | 65,014 | 62,134 | 556,565 |
| Ratio to net sales | 77.2% | 11.7% | 11.1% | 100.0% |

Note: Net sales are based on the location of the customer and are allocated to countries or regions.

(2) Property, plant, and equipment

(Million yen)

| Japan | Asia | Europe | Other | Total |
|--------|--------|--------|-------|---------|
| 82,204 | 16,359 | 2,682 | — | 101,247 |

Current fiscal year ended March 31, 2024 (April 1, 2023, to March 31, 2024)

1. Information on individual products and services

This information is disclosed in the section on segment information, and accordingly, is omitted here.

2. Information on each region

(1) Net sales

(Million yen)

| | Japan | Asia | Other | Total |
|--------------------|---------|--------|--------|---------|
| Net sales | 404,831 | 57,202 | 51,508 | 513,541 |
| Ratio to net sales | 78.8% | 11.1% | 10.1% | 100.0% |

Note: Net sales are based on the location of the customer and are allocated to countries or regions.

(2) Property, plant, and equipment

(Million yen)

| | Japan | Asia | Europe | Other | Total |
|--|--------|--------|--------|-------|---------|
| | 79,350 | 23,221 | 2,756 | 3 | 105,332 |

Information relating to non-current asset impairment losses by reporting segments

Previous fiscal year ended March 31, 2023 (April 1, 2022, to March 31, 2023)

(Million yen)

| | Reporting segment | | | | | | Other | Companywide/ Elimination | Total |
|-------------------|-------------------|--------------------------|-------|------------------------------------|------------------|-------|-------|-----------------------------|-------|
| | Oil and Fat | | | Processed Food and Materials | Fine Chemical | Total | | | |
| | Oil and meal | Processed oil and fat | Total | | | | | | |
| Impairment losses | — | 1,332 | 1,332 | — | — | 1,332 | — | — | 1,332 |

Current fiscal year ended March 31, 2024 (April 1, 2023, to March 31, 2024)

(Million yen)

| | Reporting segment | | | | | | Other | Companywide/ Elimination | Total |
|-------------------|-------------------|--------------------------|-------|------------------------------------|------------------|-------|-------|-----------------------------|-------|
| | Oil and Fat | | | Processed Food and Materials | Fine Chemical | Total | | | |
| | Oil and meal | Processed oil and fat | Total | | | | | | |
| Impairment losses | 282 | — | 282 | — | — | 282 | — | — | 282 |

Information relating to goodwill amortization and unamortized balances by reporting segments

Previous fiscal year ended March 31, 2023 (April 1, 2022, to March 31, 2023)

(Million yen)

| | Reporting segment | | | | | | Other | Companywide/ Elimination | Total |
|-------------------------------|-------------------|--------------------------|-------|------------------------------------|------------------|-------|-------|-----------------------------|-------|
| | Oil and Fat | | | Processed Food and Materials | Fine Chemical | Total | | | |
| | Oil and meal | Processed oil and fat | Total | | | | | | |
| Amortization amount | — | 36 | 36 | — | — | 36 | — | — | 36 |
| Balance at end of fiscal year | — | 204 | 204 | — | — | 204 | — | — | 204 |

Current fiscal year ended March 31, 2024 (April 1, 2023, to March 31, 2024)

(Million yen)

| | Reporting segment | | | | | | Other | Companywide/ Elimination | Total |
|-------------------------------|-------------------|--------------------------|-------|------------------------------------|------------------|-------|-------|-----------------------------|-------|
| | Oil and Fat | | | Processed Food and Materials | Fine Chemical | Total | | | |
| | Oil and meal | Processed oil and fat | Total | | | | | | |
| Amortization amount | — | 40 | 40 | — | — | 40 | — | — | 40 |
| Balance at end of fiscal year | — | 186 | 186 | — | — | 186 | — | — | 186 |

Information relating to gains on negative goodwill by reporting segment

Previous fiscal year ended March 31, 2023 (April 1, 2022, to March 31, 2023)

There is no item to report.

Current fiscal year ended March 31, 2024 (April 1, 2023, to March 31, 2024)

There is no item to report.

Revenue recognition

Information breaking down revenue arising from contracts with customers

Previous fiscal year ended March 31, 2023 (April 1, 2022, to March 31, 2023)

(Million yen)

| | Reporting segment | | | | | | Other (Note) | Total |
|---|-------------------|--------------------------|---------|------------------------------------|------------------|---------|-----------------|---------|
| | Oil and Fat | | | Processed Food and Materials | Fine Chemical | Total | | |
| | Oil and meal | Processed oil and fat | Total | | | | | |
| Japan | 344,775 | 12,251 | 357,027 | 59,110 | 10,658 | 426,796 | 2,328 | 429,125 |
| Asia | 5,529 | 50,710 | 56,239 | 5,981 | 2,793 | 65,014 | — | 65,014 |
| Other | 51 | 55,061 | 55,112 | 10 | 7,010 | 62,134 | — | 62,134 |
| Revenue arising from contracts with customers | 350,356 | 118,023 | 468,379 | 65,103 | 20,462 | 553,945 | 2,328 | 556,273 |
| Other revenue | — | — | — | — | — | — | 291 | 291 |
| Sales to external customers | 350,356 | 118,023 | 468,379 | 65,103 | 20,462 | 553,945 | 2,619 | 556,565 |

Note: The Other category is for business segments that are not included in reporting segments, such as information systems.

Current fiscal year ended March 31, 2024 (April 1, 2023, to March 31, 2024)

(Million yen)

| | Reporting segment | | | | | | Other (Note) | Total |
|--|-------------------|--------------------------|---------|------------------------------------|------------------|---------|-----------------|---------|
| | Oil and Fat | | | Processed Food and Materials | Fine Chemical | Total | | |
| | Oil and meal | Processed oil and fat | Total | | | | | |
| Japan | 315,489 | 13,563 | 329,053 | 62,707 | 10,516 | 402,277 | 2,194 | 404,472 |
| Asia | 2,433 | 43,817 | 46,251 | 7,404 | 3,547 | 57,202 | — | 57,202 |
| Other | 72 | 46,596 | 46,668 | 18 | 4,820 | 51,508 | — | 51,508 |
| Revenue arising from contracts with customers | 317,995 | 103,978 | 421,973 | 70,129 | 18,884 | 510,988 | 2,194 | 513,182 |
| Other revenue | — | — | — | — | — | — | 358 | 358 |
| Sales to external customers | 317,995 | 103,978 | 421,973 | 70,129 | 18,884 | 510,988 | 2,553 | 513,541 |

Note: The Other category is for business segments that are not included in reporting segments, such as information systems.

Per share information

| Item | Previous fiscal year ended March 31, 2023 (April 1, 2022, to March 31, 2023) | Current fiscal year ended March 31, 2024 (April 1, 2023, to March 31, 2024) |
|--------------------------|---|--|
| Net assets per share | ¥5,015.63 | ¥5,634.36 |
| Basic earnings per share | ¥344.25 | ¥467.37 |

Notes:

1. Diluted earnings per share are not reported, as there are no dilutive shares.
2. The basis for the calculation of basic earnings per share is as follows.

| Item | Previous fiscal year ended March 31, 2023 (April 1, 2022, to March 31, 2023) | Current fiscal year ended March 31, 2024 (April 1, 2023, to March 31, 2024) |
|---|--|---|
| Basic earnings per share | | |
| Profit attributable to owners of parent (million yen) | 11,157 | 15,148 |
| Amount not attributable to owners of common stock (million yen) | — | — |
| Profit attributable to owners of parent relating to common stock (million yen) | 11,157 | 15,148 |
| Average number of shares of common stock during the fiscal year (thousand shares) | 32,409 | 32,412 |

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

| Item | Previous fiscal year ended March 31, 2023 (As of March 31, 2023) | Current fiscal year ended March 31, 2024 (As of March 31, 2024) |
|---|--|---|
| Total net assets (million yen) | 171,418 | 192,562 |
| Deductions from total net asset (million yen) | 8,859 | 9,940 |
| (Non-controlling interests included in the above (million yen)) | (8,859) | (9,940) |
| Net assets relating to common stock at end of fiscal year (million yen) | 162,559 | 182,622 |
| Number of shares of common stock at end of fiscal year used to calculate net assets per share (thousand shares) | 32,410 | 32,412 |

4. Company shares held by the Share Grant Trust Account for Directors, etc., are included in treasury shares, which are deducted from the average number of shares during the fiscal year when calculating basic earnings per share (79 thousand shares in the previous consolidated fiscal year, 140 thousand shares in the current consolidated fiscal year).

Also, these Company shares held by the Trust are included in treasury shares deducted from the total number of issued shares as of the end of the fiscal year when calculating net assets per share (142 thousand shares in the previous consolidated fiscal year, 140 thousand shares in the current consolidated fiscal year).

Significant subsequent events

There is no item to report.